Arribatec.

Annual report 2024.

A pioneering tech and consultancy company with deep expertise in integrated business solutions .

Our mission is to leverage technology and proven methods to improve the way organisations work - enhancing performance and providing peace of mind for those at the helm.

By streamlining systems and optimising processes, we offer better overview, decision-making and reliability in everyday operations. This allows our clients to focus on high-value activities that drive growth and create lasting impact.

This is how we simplify complexity.

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Financial numbers.

Revenue
574.7 MNOK
(+0.3%)

Recurring revenue in % of total revenue
44%
(37%)

Adjusted EBITDA
2.7 MNOK
(-89%)

Key consolidated figures and ratios		2024	2023	2022	2021
Revenue	TNOK	574 733	572 981	504 968	413 938
EBITDA	TNOK	(15 225)	24 463	(34 107)	(6 800)
Adjusted EBITDA	TNOK	2 679	24 463	(25 090)	(1 601)
Operating profit/(loss), EBIT	TNOK	(85 249)	(23 844)	(90 339)	(49 770)
Net profit/(loss)	TNOK	(82 713)	(23 053)	(83 393)	(48 858)
Revenue growth y/y	%	0.3%	13.5%	22.0%	168.7%
EBITDA margin	%	(2.6%)	4.3%	(6.8%)	(1.6%)
Adjusted EBITDA margin	%	0.5%	4.3%	(5.0%)	(0.4%)
Earnings per share	NOK	(1.19)	(0.33)	(0.13)	(0.10)
Cash at end of period	TNOK	23 119	39 371	40 449	43 758
Equity	TNOK	189 153	262 463	281 927	316 506
Equity ratio	%	42.8%	52.3%	54.7%	57.3%
Price per share at end of reporting period	NOK	0 345	4 650	0 369	1 180
FTEs, employed	Number	314	329	353	374
No. of outstanding shares, beg. of period[1]	Number	69 572 206	690 573 217	584 903 064	418 583 331
New shares issued[1]	Number	0	514 887	105 670 153	166 319 733
No. of outstanding shares, end of period[1]	Number	69 572 206	69 572 206	690 573 217	584 903 064
Average number of shares, year to date	Number	69 572 206	69 057 322	658 988 513	489 277 730

[1] Reversed share split (10:1) in Q1 2023

Non-financial numbers .

About us

Workforce
330
(341)

Gender distribution (% female)
30.0% (34.8%)

Nationalities
22
(25)

Average age
42 years
(41)

Number of clients
1 700+

Gender distribution Board of Directors, % female
40% (40%)

More about us

- Listed on Oslo Stock Exchange
- 60+ Software and solution offerings
- Key partnerships:
  Unit4, QualiWare, Hypergene, RamBase, Microsoft, CatalystOne, Pagero, PowerBI, Prophix, Orbus, SEMINE
- Appr. 30% business outside of Norway
- Presence in 10 countries
- 30% women, 70% men
- Main industries:
  Governmental, Higher education, Research, Health, Energy and oil & Gas, Bank & Finance, Shipping, Hospitality, Engineering and construction, Non-profits

Letter from CEO

A year of transformation and renewed focus .

As we close the chapter of 2024, we reflect on a year of transformation, driven by significant improvement initiatives as well as related cost savings and efficiency gains. Despite the many internal changes, we have managed to continue to deliver high quality products and services to our customers globally, thanks to our incredible group of people, as well as our key partners.

It is also thanks to these people and our partners that we managed to close more business in 2024 than ever before in the history of Arribatec. As the vast majority of this will be delivered in 2025 and beyond, this puts us in a great position for the year to come.

Throughout the past year, we have provided business critical solutions and services to over 500 large organisations, both new ones that have placed their trust in us as well as long-standing partners who continue to value our expertise. The trust placed in Arribatec is another testament to the dedication and competence of our employees, who have kept their focus on what matters most: our clients.

The changes we implemented in 2024 were driven by a clear objective - to sharpen our focus on our core business areas, which has also led to the decision to divest our Marine and Hospitality business. In a time of change, our core values have been more important than ever, guiding us through every decision and ensuring that we emerge stronger. Today, we are better positioned to realise our full potential and create even more value for our clients and stakeholders.

Looking ahead to 2025, I do so with optimism and confidence. While the world around us remains uncertain and unpredictable, we firmly believe that our renewed focus, strengthened organisation, and dedicated employees position us for continued success.

Key trends, such as the rise of AI and digital transformation, opens a lot of opportunities. At Arribatec, we are embracing these developments and integrating them into our services to drive greater efficiency, innovation, and to increase the positive impact for our clients.

Ultimately, it is our people who make the difference, as they make up the company. Their resilience, expertise, and unwavering commitment to help our clients is remarkable. Together, we have navigated a demanding year, and together, we will seize the opportunities that lie ahead.

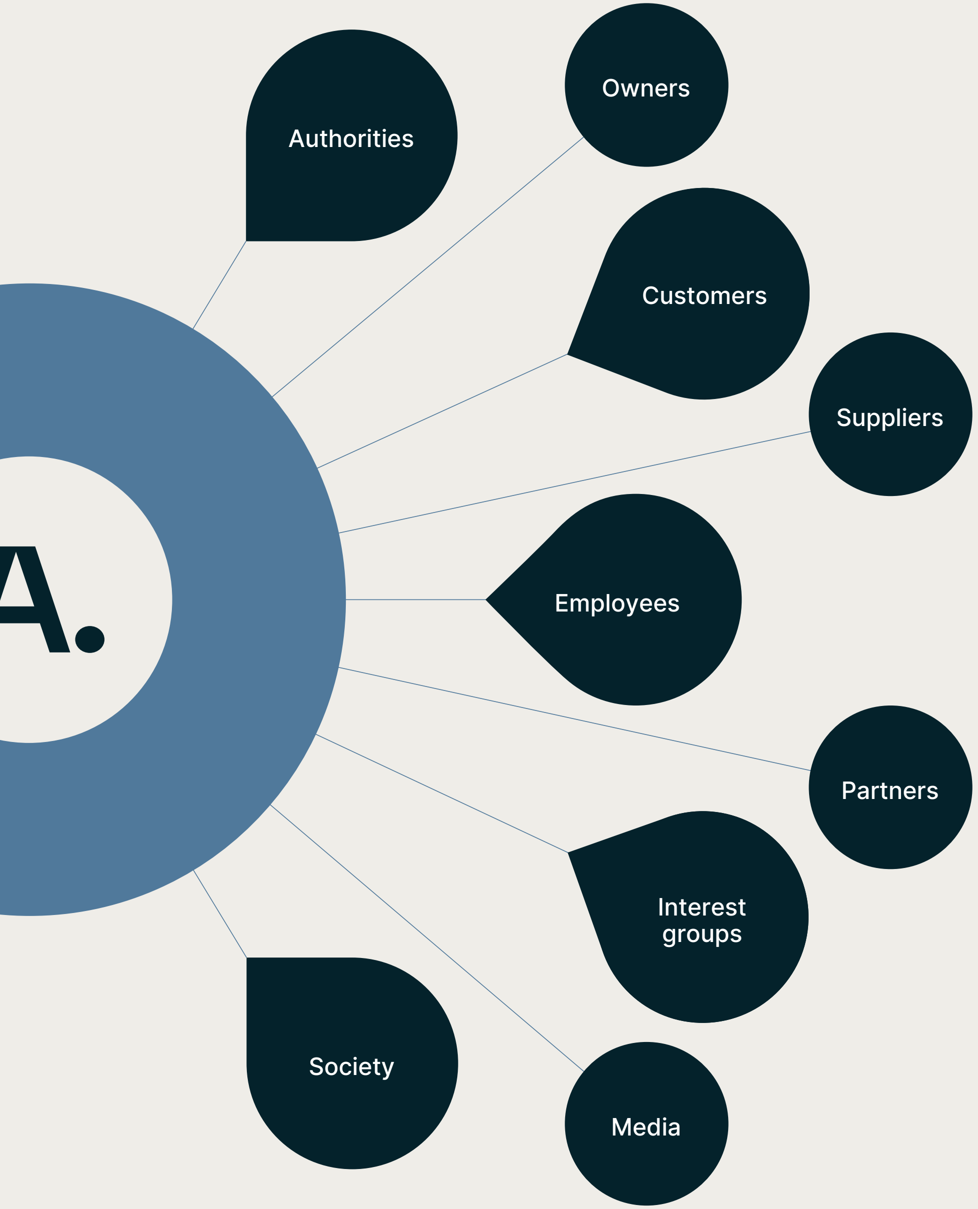
Thank you to our clients, partners, and employees for your trust and collaboration.
The best is yet to come.

Sincerely,

Ole Jakob Kjølvik
Group CEO (Interim)

Environment, Social and Governance .

This chapter offers an insight into Arribatec's Environmental, Social, and Governance (ESG) endeavours and achievements throughout 2024, in addition to the upcoming plans. The ESG standards and regulations are dynamically evolving alongside global shifts, necessitating proactive responses to emerging challenges. Arribatec remains committed to meet these challenges with actions and compliance and by leading the way for others through our vision statement "we simplify complexity".



Our ESG strategy statement

At Arribatec, we take ownership of the complete service we provide and are responsible for our impact on the environment,society, and the economy throughout our value chain. ESG is incorporated into our business strategy and processes and reflected in our values. We strive to manifest our values and show our commitment to ESG in everything we do. We consider ESG and our values to be mutually reinforcing. We take responsibility for reducing our environmental footprint and caring for our employees and clients. We act with integrity in all business practices and internal processes. We are service-minded in offering our clients the best products and competence and our employees the best development opportunities. We empower our clients, business partners, and employees to act in the planet's and society's best interests.

Arribatec is not obliged to disclose sustainability information in accordance with CSRD for the financial year 2024. Due to the recent Omnibus decisions, it is not certain if / when the directive will become effective for Arribatec. Our implementation process began with mapping the Company's activities, business model, business relationship and value chain. We defined and mapped our stakeholders and performed the materiality analysis that will help to set the direction for our further work in sustainability, both in terms of strategic sustainability processes, but also our risk management. The results will also help to improve our reporting and communication with our stakeholders

Arribatec has conducted a double materiality analysis (DMA) in accordance with ESRS, based on methodological recommendations from the European Financial Reporting Advisory Group (EFRAG). The analysis was carried out in the winter and spring of 2025.

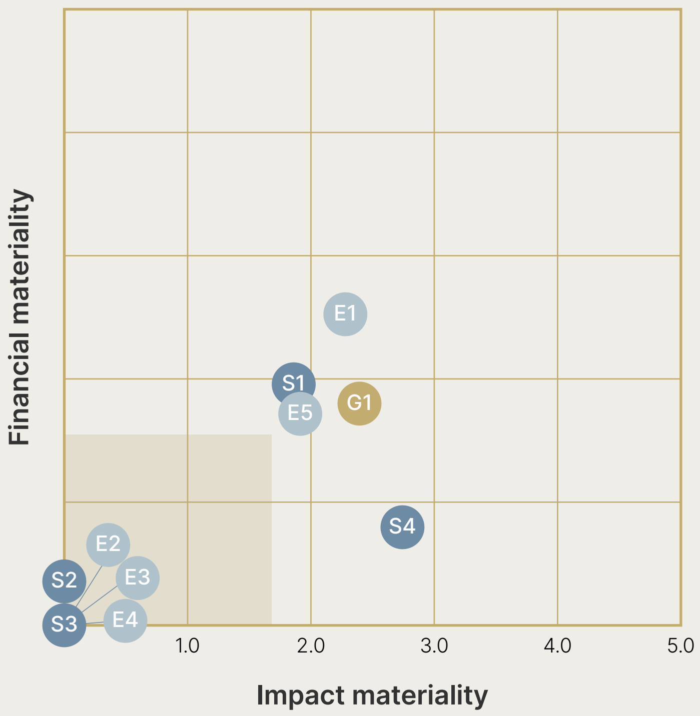
The purpose of a DMA is to understand and identify the sustainability topics that are material to Arribatec and our stakeholders. The analysis is an assessment of Arribatec's impact on sustainability matters (impact materiality). It also assesses how sustainability matters impact the company (financial materiality). The identification of material impacts, risks and opportunities (IROs) is based on the topic standards in the ESRS and its subtopics. Topics and sub-topics are defined as material if they were either material from an impact, and/or a financial perspective.

The process has followed a methodology based on the IG1 guidance from EFRAG. Arribatec has conducted assessments based on insights from reports, documents, stakeholders, as well as workshops and discussions with subject matter experts, both internally and externally.

This work has included a thorough assessment of Arribatec's own activities as well as activities in the value chain, focusing on the various topics covered in ESRS, both within climate and environmental, social and governance factors (ESG factors).

Through the process we identified 5 overarching material topics and 14 subtopics (see table). Our future CSRD reporting will include all these topics.

Material ESRS topics



	Material topics	Non-material topics
Environment	• E1 Climate change • E5 Resource use and circular economy	• E2 Pollution • E3 Water and marine resources • E4 Biodiversity and ecosystems
Social	• S1 Own workforce • S4 Consumers and end-users	• S2 Workers in the value chain • S3 Affected communities
Governance	• G1 Business conduct	

The threshold for material / non-material topics
The quantitiative analysis has a scale from 0 to 5, where 0 indicates no materiality and 5 representents absolute materiality. The threshold is set so that topics are considered non-material if both the financial and impact materiality is below 1.5. In the long term, Arribatec will consider lowering the threshold to include more topics.

Material sub-topics have been identified, using the EFRAG guidance:

Material ESRS topics	Material sub-topics
E1 Climate change	• Climate change adaptation • Climate change mitigation • Energy
E5 Resource use and circular economy	• Resource inflow • Resource outflow • Waste
S1 Own workforce	• Working condition • Equal treatment and opportunities for all • Other work-related rights
S4 Consumers and end-users	• Information-related impacts on consumers and/or end users
G1 Business conduct	• Corporate culture • Protection of whistleblowers • Managing relationships with suppliers, including payment practices • Other (cyber security)

Going forward, we have assigned ownership to each material topic, and goals, guidelines, and actions will be developed for each to strengthen the management of sustainability efforts within the organisation.

Overall, our material IRO relates to the core activities of our business and are primarily concentrated close to our own operation. IROs affect or are affected by clients and end-user, employees, datacenter activities and hardware management. As a result of continued CSRD implementation following 2023's pre-start implementation, the DMA analysis carried out in 2024 provided us with more identified IROs to work with going forward. The priority areas guide the operational decision-making, as well as the product and service offerings. The priority areas are listed below:

E1 Climate change

- Our aim is to become carbon neutral by 2030.

E5 Resource use and circular economy

- We aim to ensure 100% reuse and recycling rate of electronic waste by 2026.

Environment

Climate change remains one of the defining challenges of our time. With a presence in nearly 10 countries, Arribatec recognises its responsibility to reduce emissions intensity and actively support the global transition toward a low-carbon future.

Energy

Arribatec monitors emissions in line with the Greenhouse Gas Protocol (GHG Protocol), encompassing Scope 1 and Scope 2 emissions. Designated ESG supervisors are located at each office, ensuring annual reporting across all key sustainability indicators.

While Arribatec does not own the buildings it operates from, we are proactively engaging landlords to implement energy efficiency measures. However, progress varies across locations, reflecting different levels of maturity and commitment. We will continue to challenge and collaborate with landlords to drive continuous positive change.

	Unit	2024	2023
Environment			
Scope 1 emissions	Tonnes CO_2e	1.40	3.9
Scope 2 emissions	Tonnes CO_2e	159.2	225.8
Energy consumption through own operation			
Cooling	Kwh	445 730	395 182
Heating	Kwh	162 750	856 358
Electricity renewable	Kwh	661 869	174 939
Electricity non-renewable	Kwh	274 982	470 675
Circular economy			
Reused units	No of units	107	33
Recycled units	No of units	107	72
Products in process	No of units	3	17

Scope 1 emissions:
1.4 tonnes CO_2e
Scope 1 emissions refer to direct GHG emissions from sources owned or controlled by Arribatec, such as company vehicles and on-site fuel combustion.

The scope 1 emissions have decreased by 64% compared to 2023, largely due to replacing diesel vehicles with electric models in the company`s vehicle pool.

Scope 2 emissions:
159.2 tonnes CO_2e
Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Although scope 2 emissions physically occur at the facility where they are generated, they are accounted for in Arribatec's GHG inventory because they are a result of the organisation's energy use.

The scope 2 emissions have decreased by 30% compared to 2023. This decrease is primarily attributed to the increased usage of renewable electricity in data centers and office locations.

Energy Consumption

Energy consumption is monitored across all operations to identify areas of improvement in our journey toward carbon neutrality. Heating remains the dominant energy use in most office locations. As part of our sustainability commitment, all Arribatec-operated data centres now use 100% renewable electricity, and environmental performance is a key criterion in supplier selection.

Total energy consumption in 2024 has increased by 45% due to expansion of our business but non-renewable energy consumption is decreased by 42%. Renewable energy consumption constitutes 71% of total energy consumption vs 27% in 2023.

Circular Economy and Waste Management

Arribatec is committed to achieving a 100% reuse and recycling rate for all electronic waste by 2026. This goal encompasses not only internal IT equipment but also hardware provided to clients. To facilitate this, designated disposal areas for electronic waste have been established at our largest office sites, ensuring easy and secure collection and recycling of obsolete devices.

S1 Social

- Our employees are our main asset. We want our employees to thrive at work and we aim to be recognised as an employer by choice, placing our people at the heart of everything we do.
- We aim for our employees to find meaning in what they do and to develop their skills and abilities.

		2024	2023
Diversity			
Total (in %)	Women/Men	30 / 70	35 / 65
Top-management	Women/Men	22 / 78	18 / 82
Mid-management	Women/Men	32 / 68	36 / 64
Ratio of basic salary of women to men			
Top-management:		0.81	0.79
Mid-management:		0.95	1.05
Non-management:		1	0.85

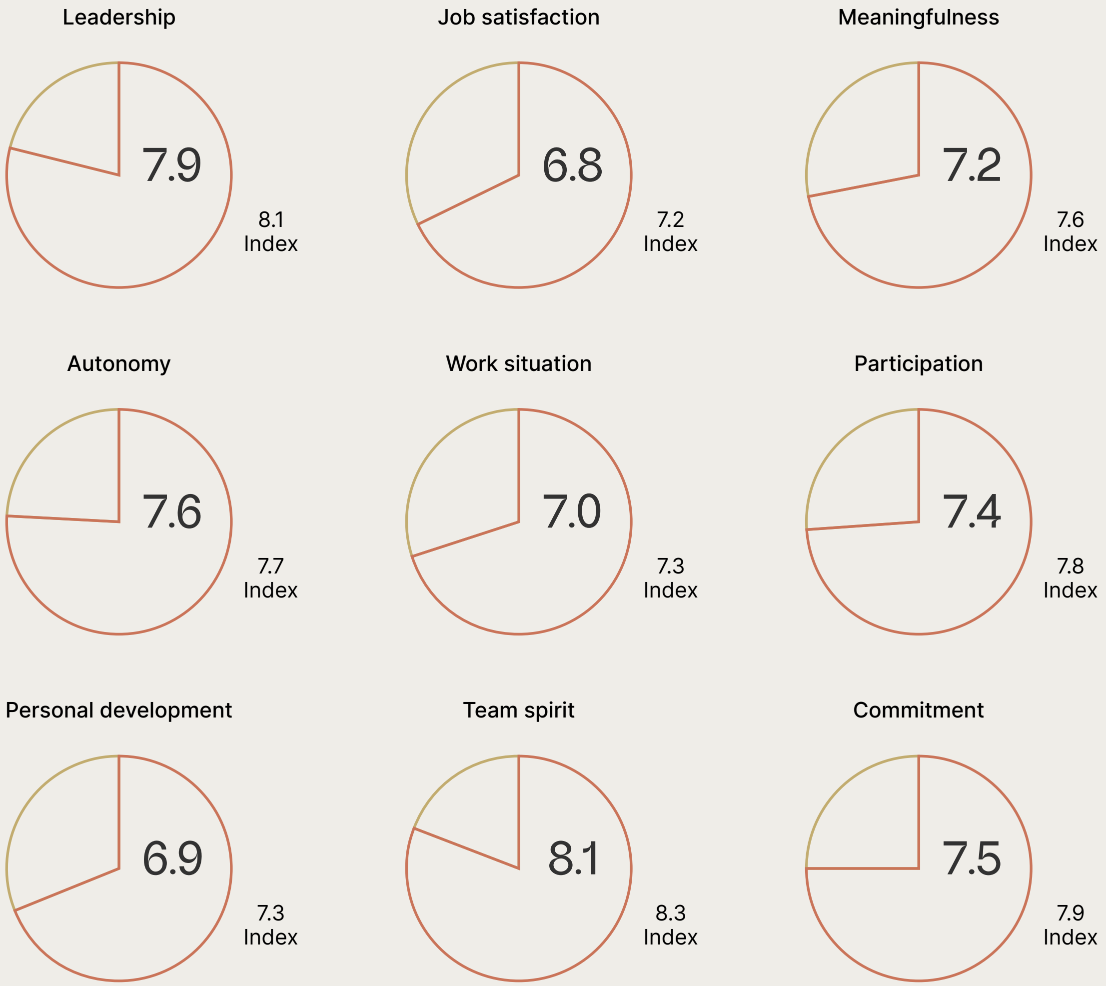
The workforce currently has a higher number of men than women. This is not intentional, but rather a result of the companies that has been acquired in recent years and the limited number of women available in the industry. Compared to 2023 we see a slightly decline in ratio female/male. We will continue working towards achieving a more balanced gender ratio.

The ratio of women's salaries to men's is lower in top management positions (C-level), higher in mid-management, and lower again for non-management positions. Arribatec regularly monitors this ratio to ensure no intentional or unintentional discrimination exists. Upon closer examination, it is apparent that the variation in the ratio is influenced by factors such as seniority, competence and skills, educational level, and job position. Additionally, historical and geographic elements play a significant role in this variation.

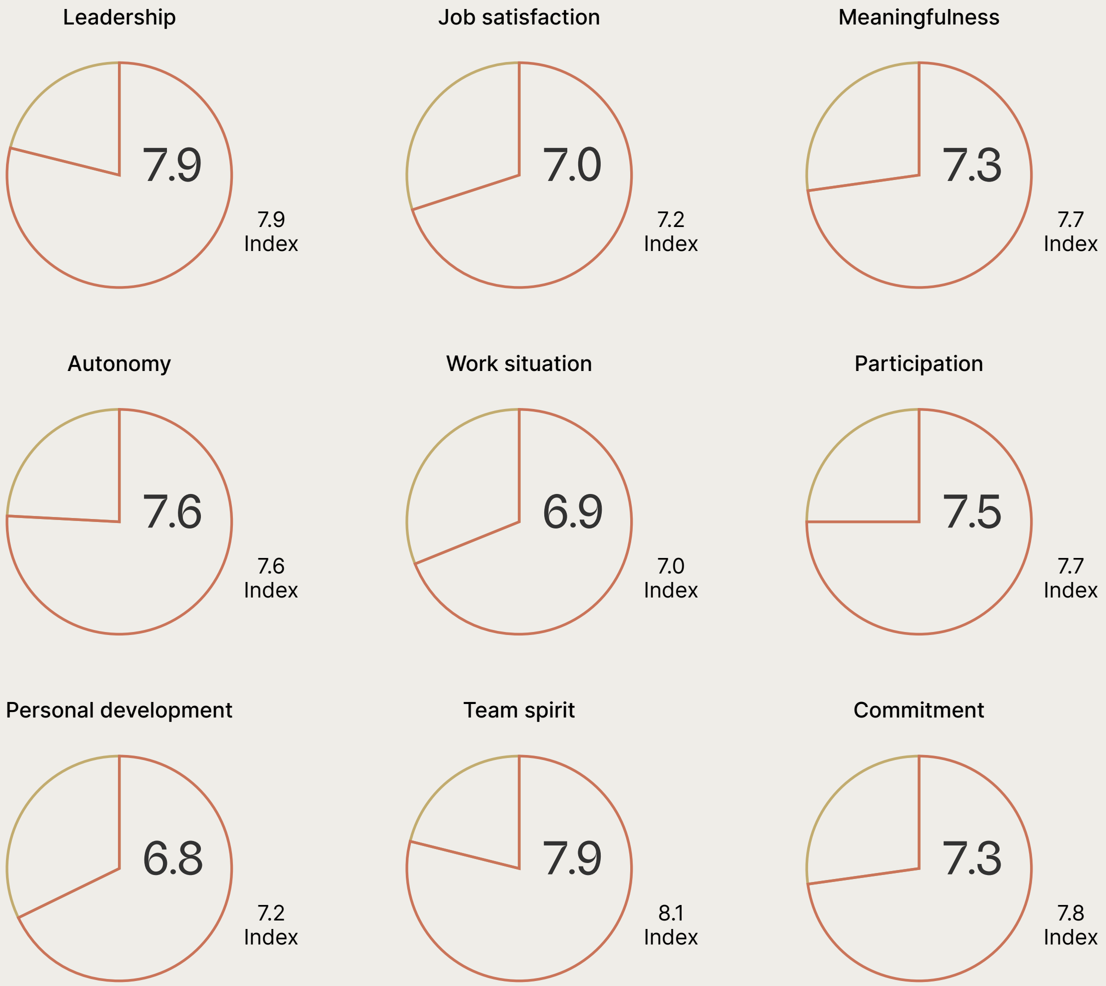
Work environment

Arribatec uses an artificial-driven survey every week to monitor, evaluate and act on some key factors that influence the overall job satisfaction among the employees, supported by Winningtemp. The weekly survey helps the company to create a positive and efficient work environment, by hearing and getting input from the employees and responding to their feedback. This is a helpful way of getting feedback that helps the company to identify areas for improvement and ongoing growth. One of the strategic objectives for Arribatec is to score at or above industry index (source Winningtemp) in all parameters. Arribatec has achieved targets for some parameters but is slightly behind on others, seeing a In/decrease of the overall satisfaction score compared to 2023 (7.2 vs. x). Even though not meeting all parameters, Arribatec is pleased with the scoring, considering the significant consolidation activities we have gone through. Furthermore, the implementation of the pulse survey across all Arribatec departments has resulted in an average participation rate of 83% against 78% in 2023. Arribatec initiated a restructuring process during the fourth quarter of 2024. We have seen a temporary tendency towards a fall in the figures from the first half to the latter half of 2024, which can be linked to this process. Active efforts are being made to reverse this trend in the business areas.

2024: Total 7.3 (business industry index 7.7. Score out of 10.



2023: Total 7.2 (business industry index 7.5). Score out of 10.

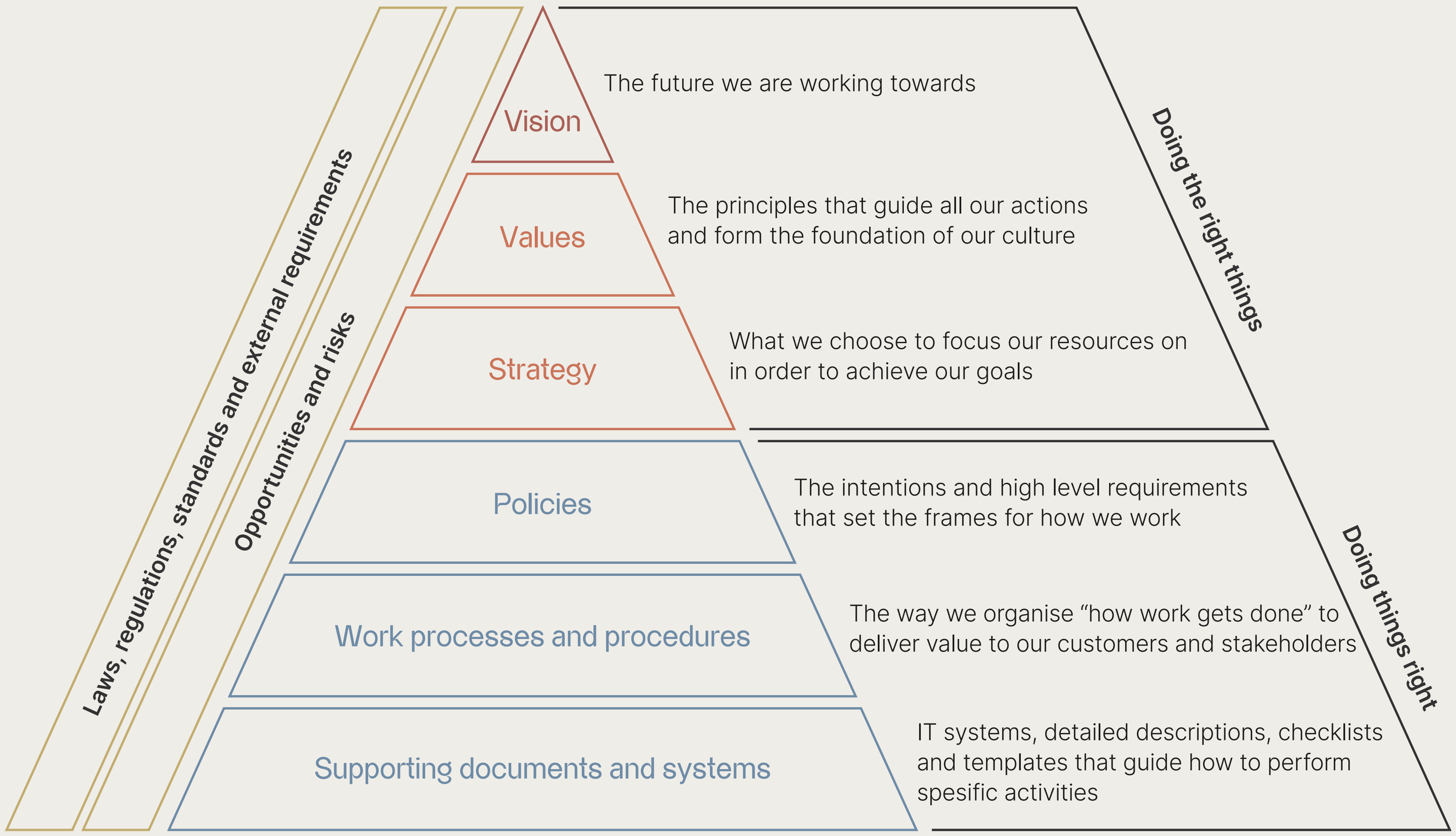


G1 Governance

- We aim to influence and support our business partners and clients to maintain high standards of ESG.
- Ethical business conduct is at the highest priority in Arribatec. We have zero tolerance for corruption and unethical behaviour.
- We aim to ensure high-level protection of our customer and employee data.

As a professional service and IT company listed on Oslo Stock Exchange, Arribatec aims to maintain the highest standards of governance and accountability and to ensure that the stakeholders can have confidence in the business practices. Arribatec not only has a responsibility to govern its own operations effectively but is also expected to deliver systems and services to the clients at the same standards. The clients and stakeholders rely on Arribatec to provide secure and reliable technology solutions, and Arribatec recognise that the success depends on maintaining their trust.

In our governance reporting, we focus on business conduct, compliance with laws and guidelines to protect human rights, prevent corruption and safeguard whistle-blowers. The fostering of a corporate culture which attempts to protect employees and other stakeholders against potential human right impact, protect whistle-blowers who report on these issues are very important for us.



Business conduct is essential to our business model. The level of authority is stated in the Delegation of authority policy and matrix that state the mandate for each level and positions in the organisation. This ensures decisions are made at the right level, involving the right personnel. The governance hierarchy model visualise the governance structure of Arribatec and the management system. Ensuring that we do the right things right.

Arribatec has built a robust management system that guides the company in the right direction and ensure that everyone know who does what, when and how. The management system ensure that risk is managed, and that the company operate safe, reliable, efficient, and effective. Commitment and compliance to the management system is a requirement.

Arribatec is committed to maintaining the highest standards of corporate governance and transparency. The Company believe that effective corporate governance is essential for building trust and confidence among the stakeholders, including shareholders, employees, customers, suppliers, and the wider community. See Corporate Governance Statement on Arribatec's website.

Board of Directors .

Håkon Reistad Fure

Chairman

Håkon Reistad Fure currently serves as Chairman of the Board of Arribatec Group ASA and has broad experience as an activist investor. His previous positions include Equity Research at DNB Markets and Partner at Magni Partners. Mr. Fure has held several board member positions. In 2015, he joined the corporate assembly of Storebrand ASA and was subsequently elected a board member of Storebrand ASA (2015- 2018), directly representing a group of shareholders. In 2016, Mr. Fure was elected to the board of Avida (2016-2020), where he also acted as CEO in 2018. In 2019 he joined the board of Yara International ASA (2019-2021) and was the head of the risk and audit committee in 2021. In 2020 he joined the board of Heder Bank ASA and acted as CEO 2021-2022. He is the chair of the Audit Committee of Arribatec.

Kristin Hellebust

Board member

Board member Kristin Hellebust is the CLO (former CCO) Xplora Technologies AS and has previously served several years as CEO of Nordisk Film Shortcut AS and as CEO of Storm Studios AS and as a lawyer at Advokatfirmaet Selmer DA. Ms. Hellebust currently serves on the board of several listed companies. She holds a Master of Laws degree from the University of Oslo, an Executive Master of Management program in Financial Strategy from BI Norwegian School of Management, and an Executive MBA from the Norwegian School of Economics. Kristin Hellebust has served the Board of Arribatec Group ASA since October 2020. She is a member of the Audit Committee of Arribatec.

Terje Mjøs

Board member

Board member Terje Mjøs has broad operational experience as former CEO of Visolit AS, EVRY ASA, Ergo Group AS, and Hydro IS Partner AS and as a senior advisor to Apax Partners (private equity). Previous directorships and senior management positions last five years outside Arribatec in Visolit group (CEO and Chair in several of their companies). Current directorships are Chair in Vali AS, Chair at Axactor Group ASA, where he also is the Chair of the remuneration committee and the investment committee. He is also a board member of Axactor Capital AS, Sparebank1 Ringerike Hadeland and Iteam AS. Mr. Mjøs has a Cand. Scient. Degree in Computer Science from the University of Oslo, and an MBA in Economics and Business Administration from Norwegian Business School BI.
Terje Mjøs has served the Board of Arribatec Group ASA since June 2023. He is a member of the Audit Committee of Arribatec.

Linn Katrine Høie

Board member

Board member Linn Katrine Høie works as Director - Business Transformation in Tietoevry Create. Linn has 20+ years of experience with Norwegian and international businesses and is an educated system architect with a master's degree in societal safety and risk management, specialised in project management. Linn expertise lies in management, strategic enterprise risk management, digitalisation, strategy, and business transformation. She has served as a member of the Board in Arribatec since May 2022.

Henrik A. Christensen

Board member

Henrik A. Christensen holds a law degree from the University in Oslo and is currently partner at the law firm Ro Sommernes DA. Christensen has been a partner with Ro Sommernes and Wiersholm since 1993. He has extensive experience as a board member. Christensen is currently Chairman of the board of Nordic technology Group AS, Sandvoldgruppen AS, Settl AS, Uthalden Maritime Management AS, and a board member in Stangeskovene AS and Fearnley Advisor. Christensen graduated from the University of Oslo in 1989 with a Master of Laws.

Responsibility Statement .

We confirm that, to the best of our knowledge, the Financial Statements 2024, which have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU, give a true and fair view of the Company’s assets, liabilities, financial position, and results of operations, and that the management report includes a fair review of the information required under the Norwegian Accounting act.

Oslo 25 April 2025
The board of Arribatec Group ASA

Signed

Håkon Reistad Fure chairman of the board	Kristin Hellebust member of the board	Linn Katrine Høie member of the board
Terje Mjøs member of the board	Henrik A. Christensen member of the board	Ole Jakob Kjølvik CEO (Interim)

The Board of Directors’ Report .

About Arribatec

Arribatec is positioned as a global provider of digital business solutions. Arribatec is listed on the Oslo Stock Exchange, with its headquarters in Oslo. Our consultants are problem solvers who streamline complex companies, processes and systems, making them as efficient as possible by combining people, processes and systems.

Operation and Segments

Arribatec is divided into five segments (Business Areas)

- Enterprise Architecture and Business process management (EA&BPM)
- Cloud services
- Business Services (BizS)
- Marine
- Hospitality

	Enterprise Architecture and Business process management (EA&BPM)	Cloud services	Business Services (BizS)	Marine	Hospitality
Operation	Empowering organisations to work smarter through Enterprise Architecture and Business Process Management solutions. The software and services support robust corporate governance and enable organisations to operate more efficiently and effectively - delivering long-term value across both public and private sectors.	Delivering flexible and secure cloud services tailored to both private and public sector needs. Cloud provides infrastructure hosting across hybrid environments. The offering includes consulting, outsourcing, and end-to-end cloud services. In addition to market-leading cloud solutions from Microsoft, Arribatec Cloud operates its own public cloud, hosted in Norwegian data centres, to support the use cases where compliance and local sovereignty and control is a key requirement.	Delivers transformation projects around ERP, FP&A, CPM (Corporate Performance Management), Research Management and Apprentice Management solutions. This includes the implementation of new business solutions as well as iterative improvements to and support for existing ones. The team drive the process from requirements definition and analysis to deployment and ongoing support, guiding the customer at every step along the way.	Marine focus on the Maritime sector. BA Marine’s competencies are the development, implementation, and consulting of the owned asset management system solutions: Infoship.	Hospitality delivers solutions for self-check-in/check-out and payments for the hospitality industry.
Revenue (growth)	106.3m(-4.2%)	142.3m (12%)	273.5m(-7.1%)	42.6m(-10.5%)	31.7m(+190.3%)
EBITDA	7.2m (-66.7%)	9.3m (1%)	22.6m (-23.7%)	7.2m (-47.7%)	-6.7m (101.5%)
FTEs	54	53	150	32	15

Financial Review

Profit and Loss

Full-year revenue amounted to NOK 575 million for 2024, compared to NOK 573 million in 2023. In 2024, recurring revenue amounted to NOK 251 million (214 million), while consulting revenue ended at 283 million (333 million) and other revenue at 40 million (NOK 26 million). Divided by region, Norway stands for NOK 402 million (360 million), Europe NOK 155 million (173 million), and NOK 18 million (39 million) from America. The relative size within the regions shows an increase for Norway while the other regions show a decrease from 2023 to 2024.

Gross profit was NOK 428 million for the full year 2024 (NOK 440 million). The margin is 74%, which is a reduction from the comparable 76% last year. The decreased margin mainly relates to increased costs on licenses purchased for resale, and in particular due to changes in the sales mix since 2023.

Salary and personnel costs were up NOK 22.7 million in total from NOK 346.6 million in 2023 to NOK 369.3 million in 2024, primarily relating to the annual salary adjustment that on average ended at 5.15% in 2024, which stands for approximately NOK 17 mill. Furthermore, a fullyear effect of the share option programme resulted in a 2.5 million increase compared to 2023. Capitalised costs from own workforce in connected to internal development were down with NOK 5.3 million, which increased the personnel costs with the same compared to 2023.On the other side, bonuses were down NOK 4.8 million and the number of full-time employees was down by 15 from 329 on 31.12.2023 to 314 as of 31.12.2024. The average number of FTEs was 321 in 2024 compared to 352 in 2023. Other operating expenses were NOK 74.0 million (NOK 69.2 million). Depreciation, amortisation and impairment amounted to NOK 70.0 million (in 2023 NOK 48.3 million), whereof NOK 24.6 related to impaired Goodwill from the Hospitality segment. Of the total depreciation and amortisation, NOK 15.1 million (NOK 15.5 million) stems from exceed values from acquisitions. Net financial items amounted to negative NOK 6.1 million (-NOK 6.2 million), of which NOK 0.2 million (NOK 2 million) relates to realised losses from foreign exchange losses, mainly from EUR and GBP. The loss after tax for 2024 ended at NOK 82.7 million compared to a loss after tax of NOK 23.4 million in 2023.

Financial position

As of 31 December 2024, total assets were NOK 442 million, compared to 501 million as of 31 December 2023. Intangible assets accounted for NOK 237.3 million (NOK 274.4 million). The intangible assets mainly consist of goodwill, customer relations, and technical software through business combinations in addition to internally developed software of NOK 7.4 million in 2024 (NOK 12.9 million). An impairment of goodwill was made with NOK 24.4 million, relating to the Hospitality segment, see note 16.

Other non-current assets were NOK 61.5 million (NOK 57.4 million) including right-to-use assets of NOK 26.5 million (NOK 28.4 million), deferred tax assets of NOK 25.4 million (NOK 18.6 million) and tangible assets of NOK 4.9 million (NOK 6.4 million). Current assets was NOK 143.5 million (NOK 169.3million), including account receivables of NOK 76.7 million (NOK 90.9 million), contract assets of NOK 25.4 million (NOK 24.2 million) and cash and cash equivalents of NOK 23.1 million (39.4 million).

Total interest-bearing debt stood at NOK 45.3 million at the end of 2024 (NOK 39.4 million). Deferred tax liabilities at the end of 2024 were NOK 5.6 million (7.7 million). At the end of the year, 2024 total current liabilities were NOK 212.4 million (NOK 189.1 million). The increase from last year mainly relates to increases in Accounts payables of NOK 12.6 million. Total equity as of 31 December 2024 was NOK 189.1 million (NOK 262.1 million), corresponding to an equity ratio of 42.8% (52.3%).

Cash Flow

Arribatec's cash flow from operating activities in 2024 was positive with NOK 16.4 million, which compares to a positive NOK 33.7 million in 2023. The main negative effect came from the decreased results compared to 2023 of NOK 61.3 million. Net cash flow from investing activities was negative with NOK 16.8 million (NOK 22.3 million). Of this, internal developed intangible assets fell with NOK 8.4 million. Net cash flow from financing was negative by NOK 15.7 million, an increase compared to negative NOK 11.5 million in 2023. Financial activities in 2024 mainly relates to to proceeds from overdrafts of net NOK 4.8 million (negative NOK 6.5 million) and instalments paid on the leased assets of NOK 19.3 million (NOK 20.0 million). Arribatec had NOK 23.1 million in cash and cash equivalents at the end of the year compared to NOK 39.4 million last year.

Risk profile

Arribatec's regular business activities entail exposure to various types of risk. The company manages such risks proactively, and the board of directors regularly analyses its operations, and potential risk factors and takes steps to reduce risk exposure.

Arribatec's results of operations could be negatively affected if the Group cannot adapt, expand or develop its services in response to changes in technology or customer demand. The market for the services offered by the Group is characterised by rapid technological changes, frequent new product introductions, technology enhancements, increasingly sophisticated customer requirements, and evolving industry standards. Arribatec is dependent on being able to continuously attract customers and retain talent to deliver to its clients. The Group's future success depends on its ability to continue to provide high-quality consulting services and to develop, market, and implement services and solutions that are attractive, timely, and cost-efficient for its existing and new customers.

If the Group, alone or together with its Partners, fails to keep up with technological changes or to convince customers of the value of its services, intellectual assets, and solutions considering new technologies or new offerings by competitors, the Group's business, results of operations, financial condition, cash flow and/or prospects could be materially and adversely affected.

Arribatec's activities involve various types of financial risks like credit risk, liquidity risk, currency risk, and interest risks. The primary focus of the Group's capital structure is to ensure sufficient free cash to meet its obligations on an ongoing basis and at the same time enable the Group to make strategic actions to grow. Credit relates to the risk that counterparty is unable to settle their obligations under a financial contract or customer contract, leading to a financial loss. As part of the Group's earning model, certain of its customers pay for software as a Service (SaaS) arrangement, where the customer, in general, pays a lump sum for the initial software integration and implementation, and subsequently only pays for services related to maintenance and consulting services.

Although the Group has opted for this model to ensure some predictable long-term income, the Group is dependent on its customers having the ability and/or willingness to pay for the software already provided or to be provided. Should a certain amount of the customers under the SaaS arrangement for some reason be prevented from paying the whole or the remaining portion of these fixed monthly payments (e.g., because of bankruptcy) during the duration of the contract, the Group's earnings, results of operations and prospects may suffer as a result as it has ultimately taken the cost related to software and services already provided. The risk on existing contracts is considered moderate as the customers on SaaS contracts to a large extent are mainly governmental.

Arribatec conduct part of business in currencies other than its presentation currency (NOK), making its results of operations, financial position, and prospects vulnerable to currency fluctuations. Because of this, the Group will be exposed to volatility associated with foreign currency exchange rates. Exchange rate fluctuations affect the Group's financial results through translation of the profit and loss accounts and balance sheets of foreign subsidiaries into NOK. Currency risks also arise when Group companies enter into transactions that are denominated in other currencies other than their functional currency.

A large part of the Group's balance sheet assets consists of goodwill and other intangible assets. The valuation of those includes forward-looking information, hereunder estimates, targets, forecasts, plans and similar projected information. Such forward-looking information is based on various assumptions made by the Company and/or third parties. Assumptions are subject to inherent risks as they are assumptions regarding the Company in the future and may prove to be inaccurate or unachievable. Such assumptions cannot be verified. Additionally, forward-looking information is based on current information, estimates, and plans that may be changed within a short period without notice.

Arribatec holds Elite Directors & Officers Liability insurance covering the Directors of the Boards in the listed company and its subsidiaries and the CEO. The insurances cover the liability from claims which may arise from the decisions and actions taken within the scope of their regular duties. The coverage includes financial protection against the consequences of wrongful acts, personal liability, financial loss in respect of any securities claim made against the company, and certain costs and fines related herein. The policies also cover reimbursement of the company where coverage has been made on their behalf. Coverage does not include fraudulent, criminal, or intentional non-compliant acts or cases where directors obtained illegal remuneration or acted for personal profit. The limitation of the liability is NOK 100 million.

Corporate governance

Arribatec's corporate governance structure is based on Norwegian corporate law and Norwegian securities legislation and stock exchange regulations. The company believes that good corporate governance builds confidence among shareholders, customers, and other stakeholders, and thereby supports maximal value creation over time. Being a listed company on the Euronext Oslo Exchange and considering that Arribatec wishes to emphasise sound corporate governance, the Company has a policy document based on the Norwegian Code of Practice for Corporate Governance dated 14 October 2021. Read more about our work in the chapter Corporate Governance on page 98 of this annual report.

Corporate social responsibilities

Developing sound health, safety and environment (HSE) principles is important for the Group. Long-term sick leave was 1.5% (1.9%) in 2024 in Norway and 0.8% (1.1%) in other countries. No serious work incidents or accidents resulting in personal injuries or damages to materials or equipment occurred in 2024.

The Board and management team continue to focus on equal opportunities for men and women. We embrace diversity when we recruit in terms of age, gender, nationality and experience within our workforce, as we believe diverse teams have the best means to uncover opportunities and ensure customer success. We continuously work towards closing the gender gap in a rather male-dominated industry, and unfortunately, we have experienced a reduced rate in the workforce since 2023, where Arribatec has reduced the percentage of female employees from 35% to 30%. Two of the five Board members at year-end were female.

The Norwegian Transparency act

The Group has implemented formal guidelines for due diligence as required by the OECD Guidelines for Multinational Enterprises. Further information about this is available on the Group's website: www.arribatec.com

Going concern

The Board of Directors consider that the group entities and company have adequate resources to continue operating for the foreseeable future, reference is made to Note 2 in the financial statement. Therefore, adopting the going concern basis, following §2-2.8 of the Norwegian Accounting Act, in preparing the consolidated and company financial statements is appropriate.

Subsequent events

On 2 December 2024, an extraordinary general meeting of Arribatec decided on a capital reduction by reducing the par value from NOK 2.80 to NOK 0.10 per share. The reduction took place after the end of the creditor notice period on 27 January 2025. Furthermore, a rights issue, directed to all existing shareholders and to BoD members, in addition to warrants to a group of underwriters and the Board of Directors, that subscribed under the Board of Directors share issue was completed on 6 February 2025. The share issue resulted in NOK 41m cash.

On 25 February 2025 the Company announced that the CEO Geir Johansen will be stepping down from his role effective from 1 March 2025. The Board has appointed Ole Jakob Kjølvik as interim CEO.

On 4 March 2025, the Company announced that they had signed an agreement to divest Arribatec Marine to Star Information System. The closing of the sale took place on 18 March 2025 at an equity valuation of NOK 24.6 million.

On 14 March the company announced that they successfully completed the divestment of Arribatec Hospitality for an equity valuation of NOK 12.5 million.

Outlook

The technology is moving faster than ever and is becoming more data-driven, with the collection and use of data fueling competition for digital power and control over resources. Advanced technologies like AI, IoT, and robotics are transforming industries and creating new business models. 5G and IoT advancements are enhancing connectivity and efficiency on an unprecedented scale.

Cloud:

Arribatec Cloud is well-positioned to address the increasing demand for secure and sovereign cloud services. Leveraging our presence, expertise, and strategic partnerships, we deliver trusted, compliant, and high-performance solutions tailored to evolving customer needs. In 2025, we are enhancing our capabilities by launching two new public cloud availability zones and integrating AI seeding infrastructure, reinforcing our commitment to reliability, scalability, and data sovereignty. As we expand our public cloud platform, we will continue to focus on solutions within Microsoft's ecosystem for seamless integration, robust security, high scalability, and ongoing innovation. In addition to our advanced platform services, we will keep developing and improving our Modern Workplace services, network solutions, license optimisation, and other IT services essential for our customers' success.

Business Services:

The ERP market is growing rapidly, driven by AI and cloud adoption. By 2026, it is expected to reach $72 billion, a 41% increase from $51 billion in 2023[1]. Companies are upgrading their ERP systems to take advantage of AI while ensuring they remain practical and flexible. Future ERP solutions will focus on automation, intelligence, and adaptability rather than rigid, traditional systems. Business Services is well-positioned to support organisations on this journey with state-of-the-art products and relevant services delivered by highly experienced employees.

For 2025, Business Services has a strong outlook, driven by major Unit4 ERP implementations and cloud migrations secured in Q4 2024. Demand for new ERP implementations and cloud migrations remains high, with over 40 projects in our pipeline for Q2–Q4 2025, and further growth expected. These migration projects mark a key milestone for our clients, supporting their digital transformation as well as their long-term modernisation efforts. Business Services will guide and support them every step of the way. Additionally, Business Services has secured key projects for our proprietary solutions, Instipro and Olkweb. Both markets, research management and apprentice management, are experiencing growth, further cementing our position in these sectors.

[1] Gartner: ERP Primer for 2025

EA&BPM:
In 2025, EA & BPM is uniquely positioned to help organisations adapt, excel, and grow amid ongoing uncertainty and rapid change. With increasing emphasis on compliance, efficiency, productivity, and transformation, organisations are actively seeking ways to optimise processes, mitigate risks, and ensure regulatory adherence. Leveraging our deep expertise in Enterprise Architecture (EA) and Business Process Management (BPM), we offer strategic guidance and practical solutions tailored to these evolving demands. Our partnerships with leading European and Nordic software vendors further strengthen our capability to deliver value in a complex global landscape.

Strategically targeting the high-maturity EA market in the UK and the developing EA maturity in the Nordics, EA & BPM will deliver tailored solutions that address each region's distinct challenges and opportunities. We will take advantage of our BPM expertise as a critical foundation and steppingstone for organisations pursuing Digital Twin of Organisation (DTO)

Oslo 25 April 2025
The board of Arribatec Group ASA

Signed

Håkon Reistad Fure
chairman of the board

Kristin Hellebust
member of the board

Linn Katrine Høie
member of the board

Terje Mjøs
member of the board

Henrik A. Christensen
member of the board

Ole Jakob Kjølvik
CEO (Interim)

Shareholder information .

The company's total capitalisation at 31 December 2024 was NOK 24 million, based on a closing share price of that day of NOK 0.35.

Dividend policy

Arribatec is growing fast, both organically and through M&A activities. Both these avenues for growth require liquidity and availability of sufficient funding as well as a healthy equity ratio. While the company is in an expansion phase, the Board is not planning for regular dividends to be paid to the shareholders. There has not been given, nor proposed to give, a mandate to the Board of Directors to approve a distribution of dividends.

Shares and share capital

31 December 2024, Arribatec Group ASA had 69 572 206 ordinary shares outstanding with a par value of NOK 2.80 per share (see Note 24 to the financial statement). The company has one share class, with each share conferring equal dividend rights and votes. On 31 December 2024 the company had 4 628 shareholders.

Listing

The Company's shares are quoted and traded in NOK at the Oslo Stock Exchange (Ticker: ARR). The shares are registered in the Norwegian Central Securities Depository (VPS), with Nordea Issuer Service Registrar. The shares carry the security number ISIN NO0012861667.

Principal shareholders

The 20 largest shareholders of Arribatec are predominantly Norwegian investors. A table of these shareholders is included in this chapter. The overview per 7 April 2025 is after the share issue in 2025, ref Note 35.

Investor relations

Arribatec will maintain an open dialogue with the capital market. Regular information is therefore published through the annual report, interim reports and presentations and stock exchange announcements. The company distributes all information relevant to the share price to Oslo Børs. Such information is distributed without delay and simultaneously to the capital market and the media and published on the company website The CEO and CFO are responsible for the company's investor relations activities and for all communication with the capital markets. All information is communicated within the framework established by security and accounting legislation and rules and regulations of Oslo Børs. All information regarding Arribatec is available on the company's website at www.arribatec.com.

Annual General Meeting

The annual general meeting of Arribatec is normally held in May each year. Written notice and additional relevant material are sent to all shareholders individually or to their custodian bank at least three weeks before the AGM is to take place. The notice is also made available on the company's website. Shareholders are encouraged to participate and to vote at the AGM. To vote, the shareholder must either be physically present or be represented by a proxy.

20 largest shareholders at 7 April 2025

	Holding	Stake
FERNCLIFF LISTED DAI AS	120 998 793	25.1%
TITAN VENTURE AS	50 000 000	10.4%
COMPANY ONE AS	33 609 136	7.0%
TERJE MJØS HOLDING AS	23 585 534	4.9%
DALLAS ASSET MANAGEMENT AS	17 923 809	3.7%
AUGUST INDUSTRIER AS	12 500 000	2.6%
ERIK SKAAR OPDAL	11 906 271	2.5%
JOAR AARENES	11 668 473	2.4%
SRK CONSULTING AS	9 117 581	1.9%
HANEKAMB INVEST AS	7 198 445	1.5%
EXCESSION AS	7 000 000	1.5%
NORDNET BANK AB	5 810 749	1.2%
KRISTIAN FALNES AS	5 442 029	1.1%
MIDDELBOE AS	5 424 169	1.1%
DATUM AS	4 800 000	1.0%
LARS HUGO BRAADLAND OLSEN	4 206 463	0.9%
BORGUND INVEST AS	4 000 000	0.8%
NEVROKIRO INVEST AS	3 843 255	0.8%
NILS GABRIEL ANDRESEN	3 489 310	0.7%
NORDLYS TRADING AS	3 269 181	0.7%
Total 20 largest shareholders	345 793 198	71.8%
Other shareholders	136 095 437	28.2%
Total	481 888 635	100.0%

Geographic residence Shareholders as registered in VPS on 7 April 2025

Country	Holding	Stake
Norway	466 346 812	96.8%
Sweden	7 716 098	1.6%
United Kingdom	3 558 685	0.7%
Belgium	1 739 227	0.4%
Denmark	755 879	0.2%
Other	1 771 934	0.4%
Total	481 888 635	100.0%

Ownership structure by size of holding as registered in VPS on 7 April 2025

Number of shareholders	Number of shares	Holding	Stake
8	>1 000 000	282 192 016	58.6%
45	100 001-1 000 000	124 481 414	25.8%
185	10 001-100 000	57 989 724	12.0%
83	5 001-10 000	6 025 446	1.3%
324	1 001-5 000	7 894 176	1.6%
4 009	1-1 000	3 305 859	0.7%
4 654	Total	481 888 635	100.0%

Referring to Note 34 regarding Share issue and Warrant.

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Consolidated statements of profit and loss

NOK thousand	Note	2024	2023
Revenue	4, 5, 22	574 733	572 981
Materials, software and services	6	(146 684)	(132 673)
Gross profit		428 048	440 308
Salary and personnel costs	7, 8	(369 272)	(346 608)
Other operating expenses	9	(74 002)	(69 236)
Total operating expenses		(443 273)	(415 845)
EBITDA		(15 225)	24 463
Depreciation, amortisation and impairment	10, 11, 12	(70 025)	(48 307)
EBIT		(85 249)	(23 844)
Financial income	13	2 499	3 208
Financial expense	13	(8 578)	(9 414)
Profit/(loss) before tax		(91 329)	(30 050)
Tax expense	14	8 616	6 998
Profit/(loss) after tax		(82 713)	(23 053)
Attributable to:			
Equity holders of the parent company		(82 713)	(23 053)
Earnings per share: basic	15	(1.19)	(0.33)
Earnings per share: diluted	15	(1.19)	(0.33)

Consolidated statement of other comprehensive result

NOK thousand	2024	2023
Profit/(loss) after tax	(82 713)	(23 053)
Items that may be classified subsequently to profit or loss		
Foreign currency translation differences - foreign operations	3 531	3 087
Other comprehensive income/(loss) for the period	3 531	3 087
Total comprehensive income/(loss) for the period	(79 182)	(19 965)
Attributable to:		
Equity holders of the parent company	(79 182)	(19 965)

Consolidated statement of financial position

NOK thousand	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Property, Plant and equipment	1	4 944	6 436
Right-of-use assets	11	26 563	28 442
Goodwill	12, 16, 17	184 258	206 457
Customer relations	12, 16	13 829	24 125
Other Intangible assets	12, 16	39 167	43 771
Other non-current assets	17, 20	4 602	3 989
Deferred tax assets	14	25 388	18 998
Total non-current assets		298 750	332 217
Current assets			
Accounts receivable	20, 21	76 705	90 898
Contract assets	22	25 434	24 244
Inventory	23	7 817	1 548
Other current assets	20, 24	10 426	13 267
Cash and cash equivalents	25	23 119	39 371
Total current assets		143 500	169 329
TOTAL ASSETS		442 251	501 545

NOK thousand	Note	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	25	194 802	194 802
Other paid in capital	27	220 577	214 085
Exchange differences		7 297	3 767
Other equity		(233 524)	(150 191)
Total equity		189 153	262 463
Non-current liabilities			
Interest bearing loans	20, 28	7 435	12 928
Lease liabilities	10, 20	13 317	16 836
Other non-current financial liabilities	20	2 575	1 804
Deferred tax liabilities	14	5 623	7 786
Provisions	30	11 710	10 685
Total non-current liabilities		40 661	50 038
Current liabilities			
Interest bearing loans	20, 28	37 819	26 460
Lease liabilities	11, 20	14 373	12 909
Accounts payable	20	52 432	39 816
Contract liabilities	20, 22	25 824	24 319
Current tax payable	14, 20	83	1 669
Other current liabilities	20, 31	81 906	83 869
Total current liabilities		212 437	189 044
Total liabilities		253 098	239 082
TOTAL EQUITY AND LIABILITIES		442 251	501 545

Oslo 25 April 2025
The board of Arribatec Group ASA

Signed

Håkon Reistad Fure
chairman of the board

Kristin Hellebust
member of the board

Linn Katrine Høie
member of the board

Terje Mjøs
member of the board

Henrik A. Christensen
member of the board

Ole Jakob Kjølvik
CEO (Interim)

Consolidated statement of changes in equity

		Equity related to the shareholders of the parent company				
		Restricted				
NOK thousand	Note	Share capital	Other paid in capital	Exchange differences	Other equity	Total Equity
Balance on 1 January 2023		193 361	215 645	679	(127 758)	281 927
Result of the period					(23 053)	(23 053)
Other comprehensive income for the period				3 087		3 087
Total comprehensive result for the period		0	0	3 087	(23 053)	(19 965)
Capital issue, Feb	26	0				0
Share issue cost			(118)			(118)
Share consideration relating to acquisition of Integra	26		(8 409)			(8 409)
Capital issue in relation to acq. of Integra, Dec		1 442	6 968			8 409
Share option cost	27				620	620
Closing balance 31 Dec 2023		194 802	214 085	3 767	(150 191)	262 463
Balance on 1 January 2024		194 802	214 085	3 767	(150 191)	262 463
Result of the period					(82 713)	(82 713)
Other comprehensive income for the period				3 531		3 531
Total comprehensive result for the period		0	0	3 531	(82 713)	(79 182)
Share issue cost			(352)			(352)
Share option cost	27				3 154	3 154
Share option cost reclassified to Other paid in capital			3 774		(3 774)	0
Share consideration benefit	34		3 069			3 069
Closing balance 31 Dec 2024		194 802	220 577	7 297	(233 524)	189 153

Consolidated statement of cash flow

NOK thousand	Note	2024	2023
Operating activities			
Profit/(Loss) before tax		(91 329)	(30 050)
Taxes paid		(2 547)	(2 192)
Adjustments for:			
- Finance income and expense	13	6 079	6 203
- (Increase)/decrease in accounts receivables		14 193	(2 684)
- (Decrease)/increase in accounts payables		12 616	7 937
- Depreciation and amortisation	10, 11, 12	45 609	48 488
- Impairment losses on intangible assets	12	24 416	0
Calculated cost of employee share option program	27	3 154	620
Share consideration benefit	34	3 069	0
Change in contract assets/liabilities		316	(124)
Change in other current accounts		857	5 465
Net cash flows operating activities		16 432	33 663
Investing activities			
Cash consideration earn-out payment	17	(7 531)	(3 704)
Purchase of property, plant and equipment	10	(1 581)	(2 693)
Purchase and development of intangible assets	12	(8 108)	(16 502)
Interest received		458	563
Net cash flows investing activities		(16 763)	(22 336)

NOK thousand	Note	2024	2023
Financing activities			
Change in overdrafts	28	12 167	12 677
Repayment of debt	28	(7 372)	(6 173)
Interest paid	13	(1 556)	(1 161)
Received Gov.grants (SkatteFUNN)		695	3 301
Instalments lease liabilities		(19 306)	(20 038)
Share issue cost		(352)	(118)
Net cash flows financing activities		(15 725)	(11 511)
Net change in cash and cash equivalents		(16 056)	(184)
Cash and cash equivalents at beginning of period		39 371	40 449
Currency translation		(197)	(893)
Cash and cash equivalents at end of period, incl. restricted cash	25	23 119	39 371
-whereof restricted cash	25	11 673	12 111

Notes to the financial statements

Note 1 Corporate information

The Parent Company Arribatec Group ASA (publ) (“Arribatec”), with Norwegian corporate identity number 979 867 654 is a public limited liability company, incorporated in Norway. The registered address is Lørenfaret 1B, NO-0585 Oslo. The company’s shares are traded in Norway on the Oslo Stock Exchange, Oslo Børs—ticker ARR.

The company's and its subsidiaries (the Group) principal activities are software and consulting. With a customer-centric engagement model, combined with a deep system, integration, and domain competence, Arribatec builds long-term strategic partnerships with a broad customer base. Arribatec supports over 1 700 entities across diverse countries and industries, operating from 17 offices worldwide and serving both the private and public sectors. The activities are further described in Note 5.

The Annual Report and Parent Company Report for Arribatec Group ASA (publ) was adopted by the Board of Directors on 25 April 2025 and will be submitted for approval to the Annual General Meeting on 28.05.2025.

Note 2 Basis for preparation

The financial accounts for Arribatec Group ASA as “the Parent company” together with its controlled subsidiaries as “the Group”, have been prepared in accordance with IFRS Accounting Standards as adopted by the EU, relevant interpretations, and the Norwegian Accounting Act. The Parent company has NOK as its functional currency. The consolidated financial accounts are presented in NOK.

All figures presented in this annual report have been rounded and consequently, the sum of individual figures can deviate from the total figure.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. In 2024, Arribatec announced a financial restructuring in response to a liquidity shortfall. In an extraordinary general meeting held 2 December 2024, a rights issue of up to 350 million new shares with preferential subscription rights for existing shareholders to raise gross proceeds of up to NOK 35 million and an additional Director offering of 60 million new shares at NOK 6 million were approved. The share issue took place in February 2025. Furthermore, in March 2025, Arribatec announced that they completed the divestment of both the Arribatec Hospitality and the Arribatec Marine segments at an equity valuation of NOK 12.5 million and NOK 24.6 million respectively. Together this supports the going concern assumption.

Note 3 Changes in Accounting Policies and disclosures for the 2024 calendar year or thereafter

Arribatec has not implemented any new accounting standards or otherwise made any changes to accounting policies during 2024.

In 2024, the International Accounting Standards Board (IASB) introduced two significant standards – IFRS 18 Presentation and Disclosure in Financial Statements, and IFRS 19 Subsidiaries without Public Accountability: Disclosures – which are effective in 2027.

IFRS 18 will have an impact on the presentation of Arribatec Group accounts but as per today, the extent is currently not concluded.

Note 4 Revenue

Consulting services

Consulting services mainly come from time and material projects. Revenue is recognised as revenue as they are delivered to the customer every month.

Recurring revenue

Sale of licenses

A license establishes the customer's rights related to a company's intellectual property (IP) and the company's obligations to provide those rights. IFRS 15 distinguishes whether the license provides a "right-to-use" or a "right-to-access" IP. This impacts the timing of revenue recognition.

In most cases, the sale of licenses is part of SaaS contracts. Arribatec in some instances has contracts that include the sale of licenses only. Arribatec has analysed its (partner) licensing contracts and concluded that it controls the license before it is transferred to the customer since Arribatec has legal ownership, physical possession, and the risk and reward of ownership before it is transferred to the customer. Arribatec is therefore the principal in the customer contract.

When Arribatec licenses are distinct on-premises licenses (software installed on customers' servers), these fall under the category "right-to-use" since the license grants the right to the IP "as is" when delivered. The distinct on-premises license pricing model is a one-time fixed fee. Revenue is recognised at the point in time when the customer is provided with the ability to use the software. The fee is recognised as revenue when the customer has received legal title and physical possession and has accepted the license. Generally, this is at the beginning of the license period.

When Arribatec licenses cloud-based subscription licenses ("right-to-access"), the licenses are not considered distinct from the online/hosting service. Revenue is recognised over time, over the license/contract period, as the customer is receiving and consuming the benefits of access to the cloud-based license on an ongoing basis. The cloud-based subscription licenses are sold for a fixed annual or monthly fee. Revenue is recognised linearly over the subscription time.

Software as a service (SaaS)

Software is provided over time to an end customer from a Data Center managed or contracted by Arribatec. The obligations in the SaaS contract are to offer cloud-based access to the license (owned by Arribatec), maintenance of the utility of the software, including rights to updates and future releases, and in some contracts, provide support.

The customer will purchase and obtain control of the software on a subscription or consumption basis. Revenue is therefore recognised periodically over the life of the SaaS contract.

In some cases, Arribatec has a separate installation and implementation contract regarding the same customer projects. When these contracts are negotiated close in time to each other, Arribatec considers whether the two contracts have been negotiated as a package with a single commercial objective, or not. If this is the case the two contracts are combined. If not, they are accounted for separately.

The implementation and installation services are capable of being distinct and distinct within the context of these contracts. This is concluded based on an analysis of the different deliveries and the performance obligations in the contract. Arribatec has therefore concluded that there are generally two distinct performance obligations in the two combined contracts. When there are two combined contracts, the transaction price is allocated between the two performance obligations based on relative stand-alone prices that are estimated based on the pricing of each element in the contract like hours, contract length, and options to extend the contract.

Arribatec's performance obligation under the installation and integration contract is satisfied over time because the consulting services do not create an asset that Arribatec could use for an alternative purpose and Arribatec has an enforceable right to payment for the hours worked. Revenue is accordingly recognised over time as the installation and integration are performed based on the hours worked.

Managed services

Under the managed services contracts Arribatec helps customers operate their IT environments, either on-premise or from the cloud. Managed services contracts are delivered at a fixed price and a minimum commitment to the customers, on a long-term contract. Additional work above the agreed level is considered normal consulting services.

Arribatec delivers an integrated set of services as defined in the managed service agreement. The customer receives and consumes the benefits from the Managed Services as Arribatec performs under the contract. Therefore, the performance obligation is satisfied over time and revenue is recognised over time.

One-time revenue from third party hardware

In some contracts, Arribatec delivers both physical hardware and installation of software on the hardware, e.g. for self-service/check-in kiosks. In such cases, the hardware product is considered a separate contract obligation that is recognised as revenue when it is installed.

Disaggregation of revenue

In the following table, revenue is disaggregated by primary Business area, geography and recurrence. In presenting geographic information, revenue has been based on the geographic location of the legal entity. The table shows external revenue.

Full year 2024

NOK thousand		Consulting services	Recurring Revenue	One-time revenue	Total
Norway		166 578	199 758	35 190	401 526
	Business services	75 554	56 063	3 427	135 044
	EA & BPM	66 515	32 147	5 503	104 165
	Cloud	11 577	104 862	14 224	130 663
	Hospitality	12 932	6 686	12 035	31 653
	Corporate	0	0	0	0
Continental Europe		61 365	21 814	3 224	86 403
	Business services	40 636	13 197	614	54 447
	Marine	20 729	8 617	2 610	31 956
UK		43 371	23 105	1 780	68 255
	Business services	43 323	23 105	1 780	68 208
	Cloud	48	0	0	48
Americas		11 971	6 578	0	18 549
	Business services	7 859	0	0	7 859
	Marine	4 112	6 578	0	10 690
Total revenue		283 285	251 255	40 193	574 733

Full year 2023

NOK thousand		Consulting services	Recurring Revenue	One-time revenue	Total
Norway		169 368	174 273	16 463	360 104
	Business services	70 912	51 921	1 577	124 411
	EA & BPM	77 521	29 439	3 119	110 080
	Cloud	16 716	89 714	8 208	114 638
	Hospitality	4 219	3 207	3 478	10 903
	Corporate	0	(9)	81	72
Continental Europe		86 016	15 900	6 874	108 790
	Business services	67 762	7 446	411	75 619
	Marine	18 254	8 454	6 463	33 171
UK		46 581	17 291	571	64 442
	Business services	46 581	17 291	571	64 442
Americas		31 167	6 714	1 764	39 645
	Business services	24 496	0	692	25 188
	Marine	6 670	6 714	1 072	14 456
Total revenue		333 131	214 177	25 672	572 981

Note 5 Segment

The market for Arribatec's Software and services is global. The chief decision maker will follow up on revenue and profitability on a global basis, segmented into the Business Areas (BAs). This is consistent with the internal reporting submitted to the chief operating decision maker, defined as the Management Group. The Management Group is responsible for allocating resources and assessing performance as well as making strategic decisions. Principles of revenue recognition are stated in Note 4.

The management of the Group follows up the revenue, EBITDA and EBIT by Business Area and geography according to the tables below.

Business services are focusing on ERP, BI & Analytics, DevOps, integrations, and software solutions for research institutes. Arribatec Business services provide simplicity by implementing, customising, maintaining, and supporting the entire business landscape, with ERP as the core engine. We integrate it with other marked leading systems that provide better operational support and insight than a single ERP system does.

EA & BPM provides Enterprise Architecture and Business Process Management. Arribatec EA&BPM delivers solutions and long-term services within the spaces of business process management, enterprise architecture, and corporate governance to major Norwegian and Nordic customers, both in the private and public sectors.

Cloud provides cloud services such as hosting IT infrastructure within f ex hybrid, Azure, Splunk, and GDPR. Arribatec Cloud also provides consulting, outsourcing, and cloud services to private and public enterprises. In addition to offering market-leading cloud services from Microsoft and Google, Arribatec Cloud also operates its public cloud offering based on Norwegian data centers to accommodate special use cases for our customers.

Hospitality delivers solutions for self-check-in/check-out and payments for the hospitality industry.

Marine focus on the Maritime sector. BA Marine's competencies are the development, implementation, and consulting of the owned asset management system solutions: Infoship.

2024

NOK thousand	Business services	EA & BPM	Cloud	Hospitality	Marine	Corporate	Eliminations	Total
Revenue	273 492	106 346	142 308	31 653	42 646	453	(22 165)	574 733
Materials, software and services	(43 149)	(28 293)	(73 572)	(16 687)	(5 088)	(2 080)	22 185	(146 684)
Gross margin	230 343	78 052	68 736	14 967	37 558	(1 628)	20	428 048
Salary and personnel costs	(186 829)	(63 697)	(50 468)	(14 873)	(26 437)	(26 967)	(0)	(369 272)
Other operating expenses	(20 938)	(7 158)	(8 972)	(6 810)	(3 968)	(26 136)	(20)	(74 002)
Total operating expenses	(207 768)	(70 855)	(59 439)	(21 683)	(30 404)	(53 103)	(20)	(443 273)
EBITDA	22 575	7 197	9 297	(6 716)	7 154	(54 730)	0	(15 225)
Depreciation, amortisarion and impairment	(15 533)	(7 240)	(11 078)	(26 602)	(7 330)	(2 241)	0	(70 025)
EBIT	7 042	(43)	(1 781)	(33 319)	(177)	(56 971)	0	(85 249)
Gross margin %	84.2%	73.4%	48.3%	47.3%	88.1%	na	na	74.5%
EBITDA %	8.3%	6.8%	6.5%	(21.2%)	16.8%	na	na	(2.6%)
EBIT %	2.6%	0.0%	(1.3%)	(105.3%)	(0.4%)	na	na	(14.8%)

2023

NOK thousand	Business services	EA & BPM	Cloud	Hospitality	Marine	Corporate	Eliminations	Total
Revenue	294 258	111 010	127 016	10 903	47 645	662	(18 514)	572 981
Materials, software and services	(56 402)	(24 170)	(61 136)	(4 318)	(3 075)	(1 989)	18 418	(132 673)
Gross margin	237 856	86 840	65 880	6 585	44 570	(1 327)	(96)	440 308
Salary and personnel costs	(190 084)	(59 394)	(43 950)	(4 400)	(23 939)	(24 841)	0	(346 608)
Other operating expenses	(18 170)	(5 832)	(12 732)	(5 518)	(6 942)	(20 139)	96	(69 236)
Total operating expenses	(208 254)	(65 227)	(56 682)	(9 918)	(30 882)	(44 980)	96	(415 845)
EBITDA	29 602	21 614	9 198	(3 333)	13 689	(46 307)	0	24 463
Depreciation, amortisarion and impairment	(19 563)	(6 557)	(7 802)	(3 533)	(7 211)	(3 642)	0	(48 307)
EBIT	10 039	15 057	1 396	(6 866)	6 478	(49 949)	0	(23 844)
Gross margin %	80.8%	78.2%	51.9%	60.4%	93.5%	na	na	76.8%
EBITDA %	10.1%	19.5%	7.2%	(30.6%)	28.7%	na	na	4.3%
EBIT %	3.4%	13.6%	1.1%	(63.0%)	13.6%	na	na	(4.2%)

Note 6 Materials, software and services

Materials, software and services represent the external cost of operations and are expensed when the cost occur.

The cost of finished goods and work in progress comprises design costs, raw materials, direct labour and other direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOK thousand	2024	2023
Hired consultans	(27 269)	(40 302)
Hardware for resale	(19 945)	(8 999)
Software for resale	(86 506)	(66 896)
Other	(12 963)	(16 475)
Total materials, software and services	(146 684)	(132 673)

Note 7 Personnel

NOK thousand	2024	2023
Salaries	(282 689)	(271 802)
Social security tax	(48 347)	(42 480)
Bonuses	(1 959)	(6 752)
Share option cost (Note 27)	(3 155)	(620)
Pension costs defined contribution (Note 29)	(22 037)	(20 105)
Capitalised work preformed	7 390	12 750
Other personnel cost	(18 475)	(17 600)
Total salaries and personnel expense	(369 272)	(346 608)

Average number of FTEs

	2024	2023
Number os FTEs, start of year	329	374
Number os FTEs, end of year	314	329
Average number of FTEs	321	352
Gender split, end of year		
Male	220	215
Female	94	114

Number of FTEs, end of year, per country

	2024	2023
Cyprus	3	3
Denmark	1	1
France	4	4
Italy	28	28
Norway	202	208
Singapore	1	1
Spain	24	25
Sweden	15	16
United Kingdom	33	33
USA	3	11
Total number of FTEs	314	329

Pension obligations

The Group's pension obligations vary between countries depending on the local legislation and different pension systems, please see Note 27 for further description. The group only has defined contribution retirement plans.

Note 8 Key management

The Group Management consists of the Group Directors. Group Directors are the CEO, COO, CFO, CPOO and CCO, all employed by the parent company. The IT Director is employed by one of the subsidiaries.

Compensation to the management during the year is detailed in this note. The amounts presented are the total part of the salary in the period, not only the part for the Group management role.

The Group CEO has a three-month notice period and is entitled to severance pay for twelve months in case of termination initiated by the company. None of the Board members or the CEO have executive loans or guarantees in the company.

See the remuneration report for details on the bonus and share option program concerning management.

Management remuneration 2024

NOK thousand	Board remuneration	Audit committee remuneration	Salary	Bonus	Benefits in kind	Share option cost	Pension cost	Total remuneration
Management								
Geir Johansen - CEO	0	0	4 000	0	6	207	104	4 317
Ole Jakob Kjølvik - COO (until Aug-24)	0	0	1 072	0	10	104	69	1 254
Bente Brocks - CFO (interim)	0	0	1 784	0	6	186	104	2 081
Erik Sundet - Group IT director (50% mgmt)	0	0	1 252	0	24	155	88	1 519
Pål Stueflotten - CCO	0	0	1 200	433	49	155	104	1 942
Solfrid Buø - CPOO	0	0	1 500	0	6	155	104	1 765
Management total	0	0	10 807	433	102	963	574	12 879
Members of the Board								
Håkon Reistad Fure - Chairman (from Dec-24)	24	3	0	0	0	0	0	28
Martin Nes - Chairman (until Nov-24)	252	37	0	0	0	0	0	289
Henrik Christensen - Member (from Dec-24)	20	0	0	0	0	0	0	20
Øystein S. Spetalen - Member (until Nov-24)	208	0	0	0	0	0	0	208
Kristin Hellebust - Member	226	35	0	0	0	0	0	261
Linn Katrine Høie - Member	228	0	0	0	0	0	0	228
Terje Mjøs - Member[1]	169	35	0	0	0	0	0	204
Members of the Board total	1 126	110	0	0	0	0	0	1 236
Total salaries and personnel expense	1 126	110	10 807	433	102	963	574	14 115

[1] Received NOK 57.5k less than he should in 2024, this is compensated in 2025

Management remuneration 2023

NOK thousand	Board remuneration	Audit committee remuneration	Salary	Bonus	Benefits in kind	Share option cost	Pension cost	Total remuneration
Management								
Geir Johansen - CEO	0	0	4 000	0	17	38	100	4 154
Ole Jakob Kjølvik - COO	0	0	1 559	137	17	28	100	1 840
Bente Brocks - CFO (interim)	0	0	1 762	0	14	34	100	1 909
Erik Sundet - Group IT director (50% mgmt)	0	0	1 231	0	56	28	86	1 401
Pål Stueflotten - CCO	0	0	1 458	513	84	28	100	2 182
Solfrid Buø - CPOO	0	0	1 500	0	24	28	100	1 652
Management total	0	0	11 509	649	212	184	584	13 138
Members of the Board								
Martin Nes - Chairman	265	38	0	0	0	0	0	303
Øystein S. Spetalen - Member	215	0	0	0	0	0	0	215
Kristin Hellebust - Member	215	33	0	0	0	0	0	248
Linn Katrine Høie - Member	215	0	0	0	0	0	0	215
Terje Mjøs - Member (from May-23)	131	20	0	0	0	0	0	152
Henrik Lie-Nielsen - Member (until May-23)	83	13	0	0	0	0	0	96
Members of the Board total	1 123	104	0	0	0	0	0	1 227
Total salaries and personnel expense	1 123	104	11 509	649	212	184	584	14 365

The following remuneration has been made to the members of the nomination committee during the year:

NOK thousand	2024	2023
Nomination committee		
Espen Lundaas - Chairman		20
Øystein Tvenge - Member[1]		0
Total		20

[1] Compensation for 2021-2024 paid 2024

Note 9 Other operating expenses

NOK thousand	2024	2023
Marketing cost	(3 817)	(4 966)
Rental and leasing cost[1]	(6 904)	(8 145)
Travel cost	(7 895)	(11 348)
Fees for external services	(20 525)	(18 784)
IT and communication cost	(16 973)	(16 992)
Restructuring cost	(10 142)	0
Other operating cost[2]	(7 745)	(9 001)
Total operating expenses	(74 002)	(69 236)

[1] Includes common costs related to premises, such as electricity, cleaning, moving costs and contracts of lower value and/or shorter than 12 months.
There are no leasing contracts with lower value and/or short than 12 months.
[2] Includes coursing, representation cost, mobile usage for employees, insurance premiums and other office expense

On 27 September 2024, Arribatec announced a financial restructuring in response to a liquidity shortfall. Following this, the Company underwent a restructuring initiative with a one-time restructuring cost of NOK 10.1m in Q4-24, of which 7.8m relates to cost with cash effect in 2025. A total of 25 FTEs were made redundant, with the savings coming into effect from Q2-2025. Restructuring provisions are recognised only when the Group has a constructive obligation, which is when there is a detailed formal plan that identifies the business or part of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline and the employees affected have been notified of the plan’s main features.

NOK thousand	2024	2023
Specification of auditor’s fee		
Statutory audit	(3 337)	(1 224)
Other assurance services	(55)	(11)
Other non-assurance services	(207)	(132)
Total	(3 598)	(1 366)

Note 10 Property, plant and equipment

Property, plant and equipment are measured at cost in the balance sheet, with a deduction for accumulated depreciation and impairment. Depreciation is made on a straight-line basis over the asset's estimated useful life, which is assessed on an individual basis, ranging from five to ten years.

2024

NOK thousand	Office equipment	Fixtures and fittings	Other	Total
Cost at 1 Jan 2024	18 373	4 956	1 821	25 151
Additions	1 526	0	55	1 581
Disposals	(2 132)	(615)	(255)	(3 002)
Translation difference	586	187	39	813
Cost, end of period	18 353	4 529	1 661	24 543
Accumulated depreciation at 1 Jan 2024	(14 941)	(2 760)	(1 014)	(18 715)
Depreciation during the year	(2 191)	(854)	(159)	(3 204)
Disposals	2 132	615	255	3 002
Translation difference	(539)	(115)	(29)	(683)
Accumulated depreciation, end of period	(15 539)	(3 114)	(947)	(19 599)
Carrying amount at 31 Dec 2024	2 815	1 415	714	4 944
Useful life	5-10 yrs	5 yrs	5 yrs	

2023

NOK thousand	Office equipment	Fixtures and fittings	Other	Total
Cost at 1 Jan 2023	16 785	5 028	1 837	23 650
Additions	2 442	147	104	2 693
Reclassifications	(57)	0	0	(57)
Sale	(244)	0	(5)	(249)
Disposals	(1 246)	(381)	(174)	(1 800)
Translation difference	693	162	60	914
Cost, end of period	18 373	4 956	1 821	25 151
Accumulated depreciation at 1 Jan 2023	(13 842)	(2 331)	(959)	(17 133)
Depreciation during the year	(1 969)	(739)	(176)	(2 884)
Reclassifications	57	0	0	57
Sale	222	0	5	227
Disposals	1 202	381	165	1 747
Translation difference	(610)	(71)	(48)	(729)
Accumulated depreciation, end of period	(14 941)	(2 760)	(1 014)	(18 715)
Carrying amount at 31 Dec 2023	3 432	2 197	808	6 436
Useful life	5-10 yrs	5 yrs	5 yrs	

Note 11 Right-of-use assets and lease liabilities

Right of use assets and Lease liabilities
The Group recognises leasing contracts as right-of-use assets and lease liabilities. The exemptions are short-term leases (defined as contracts with less than twelve months durtion) and leases for low-value assets, these are expensed in P&L as they occur.

Leases that fulfil the criteria are recognised in the balance sheet and the Group recognises the lease payments as other operating expenses in the statement of profit or loss when they incur.

The lease term represents the non-cancellable period of the lease, together with estimated periods where the option to extend or terminate contracts when the Group is reasonably certain to exercise this option. This is mainly valid for facility agreements that are about to expire, but there is no plan to change location.

The Group presents its lease liabilities as separate line items in the statement of financial position.

Right-of-use assets

NOK thousand	Buildings	Vehicles	Hardware	Other	Total
Right-of-use assets per 1 Jan 2023	32 773	89	1 814	7 043	41 719
Addition of right-of-use assets	4 740	724	1 135	270	6 869
Correction of initial index regulation, addition part	(1 372)	0	0	0	(1 372)
Depreciation in the period	(13 320)	(235)	(1 650)	(3 458)	(18 663)
Correction of initial index regulation, reversal of depr. prev.years	180	0	0	0	180
Reclassification between categories	(41)	41	0	0	0
Disposals	(952)	0	0	0	(952)
Translation difference	657	1	1	0	659
Right-of-use assets per 1 Jan 2024	22 665	620	1 299	3 856	28 442
Addition of right-of-use assets	5 108	1 142	7 348	5 048	18 646
Depreciation in the period	(11 543)	(553)	(3 471)	(2 402)	(17 969)
Disposals	(109)	0	(107)	(2 586)	(2 802)
Translation difference	207	39	0	0	246
Carrying amount of right-of-use assets, end of period	16 328	1 248	5 069	3 917	26 563
Remaining lease term	1-5 years	1-4 years	1-3 years	1-3 years	
Depreciation method	Linear	Linear	Linear	Linear	

Lease liabilities

NOK thousand	31 Dec 2024	31 Dec 2023
Undiscounted lease liabilities and maturity of cash outflow		
< 1 year	15 180	13 609
1-2 years	7 966	9 421
2-3 years	3 639	5 344
3-4 years	1 748	2 064
4-5 years	620	546
Total undiscounted lease liabilities, end of period	29 153	30 984
Discount element	(1 463)	(1 239)
Total discounted lease liabilities, end of period	27 690	29 745

NOK thousand	31 Dec 2024	31 Dec 2023
Total lease liabilities, end of period	27 690	29 745

The payments made on lease liabilities are presented in the cash flow statement on a separate line.

The interest rate used for discounting the lease liability is based on the same as according to the terms of interest rate from the Group's internal financing. See Note 13 for interest expenses related to leasing contracts.

Note 12 Intangible assets

Government grants
Government grants are recognised when there is reasonable assurance that the grant will be received, and all associated conditions will be complied with. When the grant relates to an asset, it reduces the carrying amount of the asset. The grant is then recognised in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge. In 2023, Arribatec received government grants of NOK 0.6m in the form of SkatteFUNN in relation to a development project. This project was not active 2024 and no grants were received.

Excess values
Goodwill and customer relations are pure excess values and are explained in Note 16. The main part of technical software is also related to intangible excess values IB, Italy.

For Impairment testing on Goodwill, see Note 16. The conducted impairment test applies to all intangible assets.

Custom software
Custom software consists of internally developed software. Technical software are other intangible assets and trademarks.

Research and Development cost
Development expenditures are capitalised only when the criterion for recognition is met, i.e., it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, management has committed itself to complete the asset, the technical feasibility of completing the asset has been demonstrated and the cost can be measured reliably. Research costs are expensed in full.

The assets are amortised over their expected useful life once the assets are available for use. During the period of development, the asset is tested for impairment annually. Development costs that do not meet the criteria for capitalisation are expensed as incurred.

The development expenditures that do not meet the criteria for capitalisation are recognised as salary and personnel expenses and other operating expenses in profit and loss.

The Group distinct between development and maintenance. Expenditure after the internally generated software is ready to be used in customer deliveries is recognised as an operating maintenance cost in the profit and loss statement.

Customer relationships and technical assets
Customer relationships and databases have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over their useful lives of 3 to 5 years.

Critical accounting estimates and assumptions
The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Note		Key accounting estimates and judgements	Nature of accounting impact
16	Goodwill	Assumptions used in value-in-use calculations for for impairment testing	Estimate
12	Other intangible assets	Assumptions used in value-in-use calculations for for impairment testing	Estimate
11	Other tangible assets	Estimate of useful lives of right-to-use assets	Estimate
22	Contract work in progress	Estimates used in determining performance obligations	Estimate
30	Provisions	Assumptions regarding provisions	Estimate

Goodwill
The group annually tests whether goodwill has suffered any impairment or more frequently if impairment indicators are identified. The recoverable amount of the cash-generating units has been determined based on value-in-use calculations. These calculations require the use of estimates. The value-in-use calculation is based on a discounted cash flow model.

The cash flows are derived from the budgets and forecasts for the next five years, as approved by the Company's Board of Directors, and do not include significant investments that will enhance the performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model, as well as the expected future cash inflows (sensitive to estimates of sales and cost levels) and the growth rate used for extrapolation purposes. Further details regarding goodwill and impairment reviews are included in Note 16 Impairment.

2024

NOK thousand	Goodwill	Customer relations	Other intangible assets; Custom software	Other intangible assets; Technical software	Other intangible assets; Licenses	Total
Cost at 1 Jan 2024	206 457	58 340	57 438	16 839	11 303	350 377
Additions	0	0	716	0	0	716
Additions - internally developed	0	0	7 392	0	0	7 392
Impairment[1]	(24 416)	0	0	0	0	(24 416)
Disposals	0	(7 000)	(2 727)	(2 541)	0	(12 268)
Translation difference	2 217	1 920	909	669	20	5 736
Cost, end of period	184 258	53 260	63 729	14 968	11 324	327 537
Accumulated amortisations at 1 Jan 2024	0	(34 215)	(24 845)	(11 446)	(5 518)	(76 024)
Amortisation	0	(11 197)	(8 656)	(2 842)	(1 741)	(24 436)
Disposals	0	7 000	2 727	2 541	0	12 268
Translation difference	0	(1 019)	(607)	(447)	(18)	(2 091)
Accumulated amortisation and impairment, end of period	0	(39 431)	(31 381)	(12 194)	(7 278)	(90 283)
Carrying amount at 31 Dec 2024	184 258	13 829	32 348	2 773	4 046	237 254
Useful life	Infinite	5 yrs	5–10 yrs	5 yrs	3–10 yrs	

[1] Impairment in relation to CGU Hospitality

2023

NOK thousand	Goodwill	Customer relations	Other intangible assets; Custom software	Other intangible assets; Technical software	Other intangible assets; Licenses	Total
Cost at 1 Jan 2023	204 581	56 799	51 883	13 654	7 752	334 669
Additions	0	0	0	0	3 634	3 634
Additions - internally developed	0	0	12 868	0	0	12 868
Less government grants	0	0	(604)	0	0	(604)
Reclassifications[1]	0	0	(2 249)	2 249	7	7
Disposals	0	0	(5 559)	(0)	(161)	(5 720)
Translation difference	1 875	1 541	1 099	937	71	5 523
Cost, end of period	206 457	58 340	57 438	16 839	11 303	350 377
Accumulated amortisations at 1 Jan 2023	0	(22 162)	(21 290)	(6 684)	(3 381)	(53 517)
Amortisation	0	(11 721)	(9 969)	(3 086)	(2 165)	(26 941)
Reclassifications[1]	0	0	1 253	(1 253)	(7)	(7)
Disposals	0	0	5 559	(0)	84	5 644
Translation difference	0	(332)	(399)	(423)	(50)	(1 204)
Accumulated amortisation and impairment, end of period	0	(34 215)	(24 845)	(11 446)	(5 518)	(76 024)
Carrying amount at 31 Dec 2023	206 457	24 125	32 593	5 393	5 785	274 352
Useful life	Infinite	5 yrs	5–10 yrs	5 yrs	3–10 yrs	

1 Reclassifications made between categories

Note 13 Financial items and risks

NOK thousand	2024	2023
Finance income		
Interest income	458	563
Realised foreign exchange gains	1 803	2 149
Net unrealised foreign exchange gains	0	381
Other financial income	238	115
Total financial income	2 499	3 208
Finance expenses		
Interest on debts and borrowings	(915)	(1 161)
Interest expense on lease liabilities	(1 179)	(1 171)
Realised foreign exchange losses	(1 581)	(4 131)
Net unrealised foreign exchange losses	(1 511)	0
Other financial expenses	(3 392)	(2 952)
Total financial expenses	(8 578)	(9 414)
Net financial items	(6 079)	(6 206)

Financial risk

In Arribatec, risks like currency risk, interest rate risk and other price risk are all factors that could have a negative impact on the ability of the Group to achieve its business objectives. All economic activities are associated with risk. To manage risk in a balanced way, it must first be identified and assessed. Arribatec conducts risk management at both a Group and company level, where risks are evaluated systematically.

The following summary is by no means comprehensive but offers an overview of all material financial risk factors that are considered important for Arribatec's future development.

Risks associated with changes in economic conditions are managed through regular checks on developments in each country.

Currency risk

Currency risk refers to the risk that the fair value of future cash flows, cash and financial instruments may shift as a result of changes in exchange rates. Transactions in foreign currency in each entity are converted at the exchange rate on the transaction date. Monetary items in foreign currency are converted to NOK using the exchange rate at the balance sheet date. Non-monetary items measured at the historical rate expressed in a foreign currency are converted into NOK using the exchange rate on the transaction date.

The currency risk is limited in Arribatec as few balance items are posted in foreign currency per 31.12.2024

in each subsidiary. The risk is in the conversion of foreign operation into NOK in consolidation.

Interest rate risks

Interest risk is related to the risk the Group is exposed to from changes in the market's interest rate which can affect the net profit. The Group's main interest rate risk arises from long-term borrowings with variable rates, which amounted to NOK 45.5m on 31 December 2024 (2023: NOK 39.4m). The loan carries a variable interest rate based on the interbank rate in each currency with a margin. Any annual increase or decrease by 100 basis points would increase/decrease the Group's loss before tax by appr. NOK 0.3m (NOK 0.3m).

The Group continuously assesses and monitors interest rate risk and exposure. Based on these assessments, the group also assesses alternative financing and hedging.

Note 14 Tax

Arribatec accounts for current income tax assets and liabilities based on the expected recovery from, or payment to, tax authorities.

The applicable tax rates and laws are those in effect at the end of the reporting period. Additionally, we calculate deferred income tax using the deferred tax method, considering temporary differences between tax bases and carrying amounts of assets and liabilities for financial reporting purposes.

Our policy recognises deferred income tax liabilities for taxable temporary differences, except when arising from goodwill recognition or non-business combination transactions that do not impact accounting or taxable profit or loss. We also assess deferred tax assets, recognising them to the extent of probable future taxable profit availability or utilisation of unused tax losses and credits.

The carrying amount of deferred tax assets is reviewed periodically, and unrecognised assets are reassessed at each reporting date. Finally, we offset deferred income tax assets and liabilities only when legally enforceable rights exist to set off tax assets against income tax liabilities within the same taxable entity or taxation authority.

Income tax calculation

The Group's tax expense is affected by several factors, where the most important are tax losses carried forward, currency effects and local GAAP/IFRS differences for the calculation of taxable profit.

The Group's tax is related to continuing operations only, as there are no discontinued operations.

Deferred tax assets

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Tax losses carried forward, not recognised, mainly relates to companies abroad and Arribatec Hospitality, while recognised deferred tax assets relates to proven profit-making entities within the Norwegian tax jurisdiction. There is a clear expectation that the Norwegian entities will deliver positive taxable results and be able to utilise the deferred tax losses carried forward.

NOK thousand	2024	2023
Income tax expense		
Current tax		
Current Income Tax - Norway	57	2 597
Correction previous year - Norway	31	(7)
Current Income Tax - Other countries	62	2 762
Correction previous year - other countries	(62)	(59)
Deferred tax		
Change in deferred taxes - Norway	(8 685)	(10 392)
Change in deferred taxes - Other countries	(18)	(1 900)
Tax income recorded in consolidated statement of Profit & Loss	(8 616)	(6 998)
A reconciliation of the tax base		
Profit/(loss) before tax	(91 329)	(30 050)
Adjustment of current income tax of previous years	(27)	3
Temporary differences	(14 930)	(2 336)
Non deductible expenses	8 504	1 113
Non-taxable income	(2 958)	(367)
Tax base	(100 740)	(31 637)

NOK thousand	2024	2023
A reconciliation of the effective tax rate		
Income taxes calculated at the Company's domestic tax rate (22%)	22 163	6 960
Tax previous year	(30)	(65)
Group contribution with tax effect (tax payable effect)	(1 738)	(2 576)
Group contribution with tax effect (deferred tax effect)	1 738	2 576
Changes in recognised deferred taxes	(8 704)	(12 292)
Effect from previously unrecognised deferred taxes	0	(1 607)
Different tax rates applied in foreign jurisdictions	(22 045)	6
Tax income at effective tax rate	(8 616)	(6 998)
Effective tax rate	9.4%	23.3%
Tax rate Norway	22.0%	22.0%
Deferred taxes		
Tax losses carried forward, accumulated	47 007	23 756
Property, plant and equipment	143	79
Intangible assets	52	1 492
Receivable	(241)	(123)
Other provisions	1 322	316
Leases	150	105
Deferred tax on intangible assets from business combinations	2 654	3 141
Tax losses carried forward, not recognised	(31 322)	(17 556)
Deferred taxes, net	19 764	11 212
Deferred taxes, recognised	19 764	11 212
Deferred taxes, not recognised	31 322	17 556

NOK thousand	2024	2023
Reconciliation to balance sheet		
Deferred tax assets	25 388	18 998
Deferred tax liabilities	(5 623)	(7 786)
Net Deferred tax assets (liabilities)	19 764	11 212

Note 15 Earnings per share

Basic earnings per share (EPS) are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in Issue during the year according to the following number of outstanding shares.

Issued shares and share capital

	Number of shares	Share Capital (NOK)
31 December 2022	690 573 217	193 360 501
Capital issue, February	3	1
Reverse share split (10:1), March	(621 515 898)	
Capital issue, December	514 884	1 441 675
31 December 2023	69 572 206	194 802 177
31 December 2024	69 572 206	194 802 177

There was no change in the number of shares or share capital during 2024.

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be Issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the Income and share data used in the basic and diluted EPS calculations:

NOK	2024	2023
Net profit/(loss) to equity holders	(82 712 957)	(23 052 518)
Total	(82 712 957)	(23 052 518)
Number of shares (in thousands)		
Weighted average number of ordinary shares	69 572 206	69 057 322
Effects of dilution, weighted average	3 400 584	371 097
Weighted average number of shares, adjusted for effects of dilution	72 972 790	69 428 419
Basic earnings per share	(1.19)	(0.33)
Diluted earnings per share[1]	(1.19)	(0.33)

[1] If Net loss, EPS per Basic and Diliuted share will be equal

In 2023, only part of the original share consideration is included as dilution. Part of the share consideration for Integra was still outstanding. This was settled during 2024.

Effects of dilution

NOK	2024	2023
Share consideration outstanding Integra	0	371 097
Share option 2023 Sept program	3 148 995	0
Share cons. BoD	251 589	0

Note 16 Goodwill and impairment

Goodwill recognised in the consolidated financial position are mainly derived from excess value following the acquisitions of Instidata AS in 2019, Facil AS, Microsky AS and Innit AS in 2020 and Maksit AS, Qualisoft AS, IB Group and Integra Ass. Ltd in 2021. Recognised goodwill amounts to NOK 184.3m as of 31 December 2024 (NOK 206.5m). Other intangible assets related to excess values in the Group accounts are customer relations and software, with a carrying amount of NOK 11.3 million as per 31 December 2024 (NOK 31.8m).

Only goodwill has an indefinite lifetime, all other intangible assets are amortised, ref Note 12.

Goodwill is tested for impairment for each cash generating unit (CGU) prior to preparation of the annual accounts. The test is performed annually. An impairment related to goodwill on CGU Hospitality has been recognised with NOK 24.4 million.

The recoverable amount for each CGU has been determined by estimating their Value in Use (VIU) and comparing that to the carrying amount of the specific CGU. The calculation of VIU has been based on estimates, reflecting the Group's financial planning process. The discount rates are derived as the weighted average cost of capital (WACC) for a similar business in the same business environment.

Goodwill has been allocated for impairment testing purposes to the CGUs below.

2024

NOK thousand	Cloud	BizS	Marine	Hospitality	EA&BPM	Total
Norway	56 622	35 585	0	0	66 361	158 568
UK	0	20 959	0	0	0	20 959
Italy	0	0	4 731	0	0	4 731
Total	56 622	56 544	4 731	0	66 361	184 258

2023

NOK thousand	Cloud	BizS	Marine	Hospitality	EA&BPM	Total
Norway	56 622	35 585	0	24 416	66 361	182 984
UK	0	18 983	0	0	0	18 983
Italy	0	0	4 489	0	0	4 489
Total	56 622	54 568	4 489	24 416	66 361	206 457

Cash flow projections and assumptions
A five-year forecast for discounted cash flows plus a 2.0% terminal value growth rate was used to determine the net present value of the CGU. Discounted cash flows were calculated after tax and applying a WACC after tax.

Key assumptions for the value in use calculations
The basis for the projection of future cash flows is based on the financial budget for one year, approved by the Board of Directors. The budget in combination with the forecasts represents management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. The remaining four years of the forecast period are estimated based on budget and projected performance. The calculation of VIU for the CGU is most sensitive when it comes to the following assumptions:

Discount rate

The input data for the WACC is gathered from external sources.

	2024			2023		
	Norway	UK	Italy	Norway	UK	Italy
Risk free interest rate	3.82%	4.48%	3.47%	3.0%	4.25%	3.70%
Market risk premium	5.0%	5.0%	5.0%	7.0%	7.0%	7.0%
Equity Beta	1.01	1.01	1.01	1.61	1.61	1.61
Small cap	5.0%	5.0%	5.0%	3.0%	3.0%	3.0%
Cost of equity	13.9%	14.5%	13.5%	9.4%	9.4%	9.4%
Credit spread	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%
After tax cost debt	6.57%	7.23%	6.22%	4.80%	4.80%	4.80%
Equity weight	88.9%	88.9%	88.9%	90.1%	90.1%	90.1%
WACC (pre tax)	13.1%	13.7%	12.7%	15.4%	14.9%	17.0%

The average growth rate and EBITDA margin assumptions are based on historical experience and performance as well as market analysis used for budget 2025 and estimates from 2026-2028 and a terminal growth rate of 2%. The average growth rates in the estimated period 2025-2028 for each Business Area are:

2024	Cloud	BizS	Marine	Hospitality	EA&BPM
Average revenue growth	6%	6%	5%	(13%)	5%
Average Gross profit margin	5.8%	6.2%	3.6%	(15.7%)	3.9%
Average EBITDA margin	6%	5%	13%	27%	11%

Compared to the same assumptions in 2023 we see a decline in the growth assumptions. This is explained by Arribatec's focus on profitability first and using modest growth assumptions as the basis for impairment tests. The management's evaluation of future growth is grounded in an analysis that combines historical data, strategic planning, market, strategic focus, initiatives and financial modeling.

2023	Cloud	BizS	Marine	Hospitality	EA&BPM
Average revenue growth	7%	8%	11%	73%	15%
Average Gross profit margin	12.3%	8.1%	11.0%	91.5%	15.6%
Average EBITDA margin	12%	11%	22%	32%	22%

Sensitivity

On 31 December 2024, the Group’s value in use for each CGU was higher than the carrying amount of tested goodwill with indefinite useful life and intangible assets.

The calculation is most sensitive to changes in EBITDA and gross profit (GP) margins. No reasonably likely change in the key assumptions listed above would cause the carrying value to materially exceed the recoverable amount for any of the CGUs. The headroom on the most significant CGUs varied from 25% - 170%.

Note 17 Business Combinations

During 2023 or 2024, Arribatec did not acquire any shares in companies. However, an earn-out related to the acquisition of the subsidiary Arribatec UK (formerly Integra) was setteled in Jnauary 2024. During 2021, Arribatec acquired shares in the companies mentioned below and consequently controls the subsidiaries from the date of acquisition. In the purchase price allocations (PPA), the assets and liabilities of the companies have been measured at the estimated fair value on the acquisition date.

The purchase price allocation identified fair value adjustments on Intangible assets like customer relations and software and deferred tax liabilities/assets. The residual value of the purchase price allocation is allocated to goodwill.

Arribatec acquired five companies during 2021 within IT and operation technology. The acquisitions are carried out in line with Arribatec´s strategy.

The labor force and “going concern” elements are the main part of the acquired excess value and has been allocated to goodwill in accordance with IFRS 3. Goodwill in relation to the acquisition is related to different CGU’s as according to Note 16.

Note 18 Investment in subsidiaries

Subsidiary	Owning entity	Ownership	Year of acquisition/ foundation	Head office
Arribatec Group ASA		100%	2015	Oslo
Arribatec Norge AS	Arribatec Group ASA	100%	2017	Oslo
Arribatec Hospitality AS	Arribatec Group ASA	100%	2019	Oslo
Arribatec Cloud AS	Arribatec Group ASA	100%	2020	Oslo
Arribatec EA & BPM AS	Arribatec Group ASA	100%	2021	Oslo
Arribatec Sverige AB	Arribatec Group ASA	100%	2016	Stockholm
Arribatec Denmark ApS	Arribatec Group ASA	100%	2015	Copenhagen
Arribatec Innovation Sp. z o.o.	Arribatec Group ASA	100%	2018	Dormant
Arribatec Italy S.r.l.	Arribatec Group ASA	100%	2018	Pontinia
Arribatec Iberia SL	Arribatec Group ASA	100%	2017	Granada
Arribatec Americas Inc	Arribatec Denmark ApS	100%	2018	Colorado
Arribatec Hospitality LLC	Arribatec Americas Inc	100%	2018	Colorado
IB S.r.l.	Arribatec Italy S.r.l.	100%	2021	Rapallo
IB Cyprus LTD	IB S.r.l.	100%	2021	Limassol
IB USA Inc	IB S.r.l.	100%	2021	Florida
Arribatec UK Ltd (former Integra Ass. Ltd)	Arribatec Group ASA	100%	2021	Leicester
Infoship GmbH	IB Cyprus LTD	100%	2021	Dormant
Arribatec France Sarl	Arribatec Group ASA	100%	2021	Levallois-Perret
Arribatec Solutions Pte. LTD	Arribatec Group ASA	100%	2021	Singapore

All entities listed are included in the consolidated financial statements of Arribatec Group ASA.

Arribatec Group ASA hold direct ownership of most entities. Arribatec Americas INC and Arribatec Americas LLC are both subsidiaries of Arribatec Denmark Aps. The IB Group is owned by Arribatec Italy S.r.l.

Note 19 Other non-current assets

NOK thousand	2024	2023
Investment in shares	60	60
Deposits	4 542	3 929
Total other non-current assets	4 602	3 989

Deposits are mainly deposits in relation to office rental agreements.

Note 20 Financial instruments

All financial assets and liabilities are initially recognised at fair value and subsequently classified either as financial assets at amortised cost or financial assets through profit or loss.

The carrying amount is a reasonable approximate fair value for Arribatec's financial instruments such as short-term trade receivables and payables and lease liabilities.

The financial assets principally consist of investments in shares, accounts receivables, deposits related to premises, cash and cash equivalents and other receivables. The financial liabilities principally consist of other non-current financial liabilities, accounts payable, contract liabilities, other current liabilities and interest-bearing loans.

Any draw-downs on the Credit Facility in Danske Bank are classified as short-term interest-bearing loans. The fair value of the financial assets and liabilities are included in the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

In Arribatec, the measured carrying amount of financial assets and liabilities at amortised cost are equal to fair value.

Note 21 Account receivable

NOK thousand	Current	0-30 days	31-60 days	61-90 days	90+days	Total	whereof estimated credit losses
Ageing, Accounts receivable							
2024	48 628	16 571	5 339	3 899	2 268	76 705	(2 060)
2023	45 192	33 769	5 533	2 795	3 608	90 898	(4 230)

Provision for Expected Credit Losses (ECL) is included with NOK 2.1m (NOK 4.2m). The provision is based on a valuation per subsidiary at year-end based on general assumptions and historical experience of low credit losses, as well as agreements with customers and payments made in the next year. Accounts receivables are non-interest bearing.

Expensed credit loss in 2024 was NOK 2.3m (0.1m), whereof NOK 2.1m is bad debt expensed in relation to large customer bankruptcy.

Credit risk

Credit risks are the risks that a counterpart will not meet its obligations under a financial contract or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily related to cash and cash equivalents, trade receivables and contract assets from contracts with the customers and other receivables.

As part of the Group's earnings model, certain of its customers pay for software and services under a software-as-a-service (SaaS) arrangement, where the customer in general pays a lump sum for the initial software integration and implementation, and subsequently only pays for services related to maintenance and consulting services. Although the Group has opted for this model to ensure some predictable long-term income the Group is dependent on its customers having the ability and/or willingness to pay for the software and services already provided or to be provided.

Customer credit risk is managed subject to established policies, procedures and controls relating to customer credit risk management. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

The Company manage the credit risk by working closely with the customers.

Accounts and other receivable

Accounts receivable and other receivables are initially recognised at fair value and are subsequently measured at amortised cost, less provision for expected credit losses.

Note 22 Contract assets and liabilities

Consulting services

Arribatec provides implementation and integration services under consulting contracts with customers. Most contracts have a pricing structure where Arribatec agrees to implement and integrate software for a fixed hourly rate agreed upon in the contract, but the number of hours to be delivered is not specified in the contract.

Arribatec's performance obligation is satisfied over time because the consulting services do not create an asset that Arribatec could use for an alternative purpose and Arribatec has an enforceable right to payment for the hours worked. Revenue is recognised over time, normally according to the invoiced hours for the period. A contract asset is recognised when the company has an unconditional right to payment. A contract liability is recognised when invoicing is done in advance compared to revenue recognition.

From time-to-time Arribatec has a fixed price consulting contract. In the same manner as for the contract with variable hours, the asset created does not have an alternative use for Arribatec and Arribatec has an enforceable right to payment in line with progress in the project. Arribatec recognises revenue over time, in line with progress in the project.

Contract assets

Contract assets are recognised for performance obligations satisfied over time, mainly from installation services and projects where progress is measured over time. When the consideration becomes unconditional the contract assets are reclassified to accounts receivable, which attributes the main changes to the contract assets in the periods.

Contract assets will typically occur in Saas projects where the customer pays a fixed annual or monthly fee over 3-5 years. In such cases revenue is recognised at the time where performance obligations are met and registered as contract assets on the balance sheet. A reclassification to accounts receivable is done when the customer is invoiced.

NOK thousand	2024	2023
As of 1 January	24 244	16 276
Performance obligations met	45 437	42 789
Reclassified to receivables	(44 724)	(35 305)
Translation difference	(417)	484
Total contract assets	25 434	24 244

It is expected that 97% of the above contract assets will be reclassified to receivables in 2025 and 3% in 2026.

The expected credit losses on contract assets are considered immaterial as the contracts are mainly with governmental parties and therefore secured contracts are subject to valuation of credit losses in the same way as Account receivables.

Contract liabilities

Contract liabilities relate to consideration received in advance of performance under revenue contracts with customers. Revenue is recognised as (or when) the Group fulfils its performance obligation(s) under the contracts. Contract liabilities are presented below:

NOK thousand	2024	2023
As of 1 January	24 319	16 476
Deferred revenue	130 200	101 264
Recognised as revenue in P&L	(129 705)	(94 227)
Translation difference	1 009	806
Total contract liabilities	25 824	24 319

Contract liabilities are mainly invoiced to customers in advance and relating to 2025. All liabilities per 1 January were recognised as revenue in P&L during the year.

Note 23 Inventory

Inventories are recognised at the lower amount of cost and net realisable value. The cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and bringing them to their current state and location.

NOK thousand	2024	2023
Hardware for resale	1 667	1 548
Licenses for resale	6 150	0
Total inventory	7 817	1 548

Note 24 Other current assets

NOK thousand	2024	2023
Government receivables	879	1 978
Prepaid cost	8 352	10 539
Other current assets	1 195	750
Total other current assets	10 426	13 267

Prepaid cost mainly consist of advances paid for software, rent and insurance.

Note 25 Cash and cash equivalents

NOK thousand	2024	2023
Cash, free	11 446	27 260
Cash, restricted	11 673	12 111
Total cash and cash equivalents	23 119	39 371

Restricted cash consists of rental deposits and tax accounts.

Liquidity risk

Liquidity risk is the potential loss of the Group's inability to meet its contractual obligations when due. The Group monitors its risk of a shortage of funds using cash flow forecasts. The Group had cash and cash equivalents of NOK 23.1m on 31 December 2024 (2023: NOK 39.4m).

NOK thousand	0-6 months	6 months - 1 year	1-2 years	2-4 years	4+ years	Total
Interest bearing loans	15 975	23 044	6 140	3 696	0	48 854
Provisions	0	0	2 328	1 242	8 141	11 710
Accounts payable	52 432	0	0	0	0	52 432
Lease liabilities	7 590	7 590	7 966	3 639	2 368	29 153
Other current liabilities	45 852	36 054	0	0	0	81 906
Total	121 848	66 688	16 433	8 576	10 509	224 055

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been set up based on the undiscounted cash flows of financial liabilities based on the expected first date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are a floating rate, the undiscounted amount is derived from the interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date the Group may be required to pay.

The amounts presented are subject to change If changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

The Group closely monitors and follows up on the cash situation. On 2 December 2024, an extraordinary general meeting of Arribatec was held, where a rights issue was guaranteed by a group of shareholders to bring in NOK 35m in cash early 2025.

Financing risk

To support the Group's growth ambitions, the Group continuously work on securing necessary committed financing and alternative funding sources. Securing non-current financing at competitive terms is a major part of the Group's long-term liquidity planning. Management continuously monitors financing risk, different funding related to revolving facilities, to minimise financing risk.

Capital management

The primary objective of the Group's capital management is to ensure the Group maintains a solid capital structure enabling it to develop and build its business to maximise shareholder value. The Group's objective is to maintain a balance of financial assets that reflects the cash requirement of its operations and investments for the next twelve months. The group defines a solid capital structure as balanced ration between debt and equity. No change was made in the objectives, policies, or process for managing capital during the year ended 31 December 2024.

Note 26 Shares

Issued shares and share capital

	Number of shares	Share Capital (NOK)
31 December 2021	584 903 064	163 772 858
Capital issue, April	100 000 000	28 000 000
Share issue, repair offer, July	3 625 153	1 015 043
Capital issue in relation to acq. of Integra, Nov	2 045 000	572 600
31 December 2022	690 573 217	193 360 501
Capital issue, February	3	1
Reverse share split (10:1), March	(621 515 898)	
Capital issue, December	514 884	1 441 675
31 December 2023	69 572 206	194 802 177
31 December 2024	69 572 206	194 802 177

There was no change in Share capital during 2024. Each share has the same rights and has a par value of NOK 0.28.

20 largest shareholders at 31 Dec 2024

	Holding	Stake
FERNCLIFF LISTED DAI AS	16 655 404	23.9%
TITAN VENTURE AS	3 050 000	4.4%
DALLAS ASSET MANAGEMENT AS	2 467 200	3.5%
JOAR AARENES	1 768 473	2.5%
SRK CONSULTING AS	1 757 476	2.5%
ERIK SKAAR OPDAL	1 695 200	2.4%
NORDNET BANK AB	1 530 066	2.2%
EXCESSION AS	1 100 000	1.6%
TRUDE HALVORSEN	1 079 789	1.6%
HANEKAMB INVEST AS	1 055 347	1.5%
COMPANY ONE AS	934 023	1.3%
KRISTIAN FALNES AS	850 000	1.2%
MIDDELBOE AS	739 662	1.1%
NILS GABRIEL ANDRESEN	622 086	0.9%
LARS HUGO BRAADLAND OLSEN	574 850	0.8%
DANSKE BANK A/S	553 700	0.8%
LCS AS	551 801	0.8%
JAN ARNE CHRISTENSEN	524 675	0.8%
NORDLYS TRADING AS	450 000	0.6%
VALSET INVEST AS	450 000	0.6%
Total 20 largest shareholders	38 409 752	55.2%
Other shareholders	31 162 454	44.8%
Total	69 572 206	100.0%

Shares held by related parties

	Holding	Stake	
COMPANY ONE AS	934 023	1.3%	Related to Håkon Reistad Fure, Chairman of the Board in Arribatec Group ASA
FINANCE RESOURCES GJ AS	360 609	0.5%	Related to Geir Johansen, CEO of Arribatec Group ASA per 31.12.2024
TERJE MJØS HOLDING AS	180 000	0.3%	Related to Terje Mjøs, Member of the Board in Arribatec Group ASA
KJØLVIK INVEST AS	37 935	0.1%	Related to Ole-Jakob Kjølvik, Interim CEO of Arribatec Group ASA
SICUBI AS	24 072	0.0%	Related to Bente Brocks, CFO (interim) of Arribatec Group ASA
HELLEBUST	22 728	0.0%	Related to Kristin Hellebust, Member of the Board in Arribatec Group ASA

Note 27 Long term incentive plan

During 2023, a long-term incentive plan in the form of a share-based remuneration program was launched within Arribatec, with the intention to incentivise and retain key employees.

The program is an equity-settled option plan where one option gives the right to acquire one share in Arribatec Group ASA on the exercise date. There is no cash settlement for the employee on the grant date.

No shares have yet been vested through the program. The shares currently held by certain members of management or other employees were acquired in market conditions.

Measurement of fair values
The Black-Scholes-Merton Option Pricing Model is used for valuing the share options. The measure of the expected volatility in the option pricing model has been calculated as the annualised standard deviation of the continuously compounded rates of return on the share over a period of time.

The options are vested over a period of three years and the employee continues to be employed by the group.

Total costs and Social Security Provisions

NOK	2024	2023
Cost of employee share option program	3 153 718	619 924
Total Social security provisions	0	0

Granted instruments

	Option	
Instrument	**2024**	**2023**
Quantity, End of period (instruments)	3 084 700	3 303 240
Quantity, End of period (shares)	3 084 700	3 303 240
Contractual life[1]	5.00	5.00
Strike price[1]	5.25	5.25
Share price[1]	4.63	4.63
Expected lifetime[1]	3.00	3.00
Volatility[1]	65.66%	65.66%
Interest rate[1]	3 965%	3 965%
Dividend[1]	0.00	0.00
FV per instrument[1]	1.97	1.97

[1] Weighted average parameters at grant of instrument

Outstanding instruments Year End - Option

Quantity and weighted average prices	Number of instruments	Weighted Average Strike Price	Number of instruments	Weighted Average Strike Price
Activity	**01.01.2024 - 31.12.2024**		**01.01.2023 - 31.12.2023**	
Outstanding OB	3 303 240	5.25	0	0.00
Granted	0	0.00	3 303 240	5.25
Exercised	0	0.00	0	0.00
Released	0	0.00	0	0.00
Adjusted	0	0.00	0	0.00
Performance Adjusted	0	0.00	0	0.00
Cancelled	0	0.00	0	0.00
Terminated	(218 540)	5.25	0	0.00
Expired	0	0.00	0	0.00
Outstanding CB	3 084 700	5.25	3 303 240	5.25
Vested CB	1 028 231	5.00	0	0.00

Outstanding Instruments Overview

	Outstanding Instruments			Vested Instruments	
Strike price	**Number of instruments**	**Weighted Average remaining contractual life**	**Weighted Average Strike Price**	**Vested instruments 31.12.2023**	**Weighted Average Strike Price**
5.00	1 028 231	3.84	5.00	1 028 231	5.00
5.25	1 028 234	3.84	5.25	0	0.00
5.50	1 028 235	3.84	5.50	0	0.00
	3 084 700				

Note 28 Interest bearing debt

NOK thousand

Debt financial institutions	Type	Currency	Facility limit	Interest rate	Year of maturity	31 Dec 2024	31 Dec 2023
Danske Bank	Revolving credit facility	NOK	20 000	NIBOR+2.75%	2025, Dec	20 000	19 458
Danske Bank	Revolving credit facility	NOK	15 000	NIBOR+2.75%	2025, Jan	11 625	0
DLL	Leasing & finance company	NOK		4.5%	2024	0	19
Bank Intesa, Italy	Unsecured bank facilities	EUR		EURIBOR+1.95%-2.40%	2027	5 984	7 896
Bank Progetto, Italy	Unsecured bank loan	EUR		EURIBOR+5%	2025	1 322	3 671
Bank Carige, Italy	Unsecured bank loan	EUR		1.3%	2027	4 218	5 681
Bank Passadore, Italy	Unsecured bank loan	EUR		EURIBOR+1.5%	2028	2 105	2 663
Total						45 254	39 388

	Credit facilities	Other borrowings	Total
Balance at 1 Jan 2023	6 779	24 431	31 211
Proceeds from loans and borrowings	19 686	0	19 686
Repayment of loans and borrowings	(7 009)	(6 173)	(13 183)
Total changes in financial cashflow	12 677	(6 173)	6 504
Translation difference	2	1 672	1 674
Balance at 1 Jan 2024	19 458	19 930	39 388
Proceeds from loans and borrowings	12 167	0	12 167
Repayment of loans and borrowings	0	(7 372)	(7 372)
Total changes in financial cashflow	12 167	(7 372)	4 795
Translation difference	0	1 072	1 072
Total Borrowings at end of period	31 625	13 629	45 254

Interest bearing loans and other financial liabilities

The Group's debt and other financial liabilities are initially recognised at fair value, including transaction costs directly attributable to the transaction, and are subsequently measured at amortised cost.

Note 29 Pensions

Arribatec group meets the different local mandatory occupational pension requirements.

Arribatec operates defined contribution retirement benefit plans for all qualifying employees of its subsidiaries in Norway, Sweden and Denmark. The only obligation of the group with respect to the retirement benefit plan is to make specified contributions.

The employees of other subsidiaries are members of a state-managed retirement benefit plan operated by the government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits.

Note 30 Provisions

NOK thousand	2024	2023
Severance indemnity funds in Italy	9 227	8 145
Other provisions	2 484	2 540
Total provision	11 710	10 685

Severance funds in Italy relates to a monthly accrual for severance pay for all employees. The funds are paid to the employee when they leave the company. Per 31.12.2024, all funds estimated as long term (2-4+ years).

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Restructuring provisions are recognised only when the recognition criteria for provisions are fulfilled. The Group has a constructive obligation when a detailed formal plan identifies the activities concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline. Furthermore, the employees affected have been notified of the plan's main features.

Note 31 Other current liabilities

NOK thousand	2024	2023
Employer tax and employee withholding tax	21 064	24 302
Accrued holiday payments and bonuses	25 266	30 640
VAT liabilities	11 674	9 632
Remaining part of acq.price, Integra	0	7 441
Accrued restructuring cost	7 841	0
Other short term liabilities	16 061	11 855
Total other current liabilities	81 906	83 869

Note 32 Transactions with related parties

During 2024, the Company has paid consultancy fees to Company One AS, a company related to the Chairman of the Board, Håkon Reistad Fure and legal fees to Ro Sommernes Advokatfirma DA, a company in relation to BoD member Herik A. Christensen.

During 2023 and 2024, rent for office in UK was paid to MDB & Sons Ltd, a company related to an employee of Arribatec UK Ltd (former Integra Associated Ltd).

NOK thousand	**2024**	**2023**
Transactions with related parties		
Company One AS - consultancy	625	0
Ro Sommernes Advokatfirma DA - legal services	206	0
MDB & Sons Ltd - office rental, Leicester	453	481
Total Related parties transactions	1 284	481

Note 33 Pledged assets

All the Nordic subsidiaries of the Group (Norway, Sweden and Denmark are part of the security package for the revolving credit facility, see Note 28. The subsidiaries that are part of the security package are guarantors and have granted a share pledge and a bank account pledge.

Note 34 Share issue and warrants

On 2 December 2024, an extraordinary general meeting decided on a rights issue of 350 million shares at a subscription price of NOK 0.10 per share. The shares were traded exclusively on the subscription right from 3 December, and the new share capital was registered on 7 February 2025. The rights share issue was fully underwritten, and the same extraordinary general meeting decided to offer 150 million warrants to the underwriters as compensation for the underwriting services (1 warrant gives right to subscribe 1 share). The same extraordinary general meeting decided to offer the Board of Directors to subscribe for 60 million shares in connection with the rights issue at a subscription price of NOK 0.10 per share and receive 60 million warrants. Each warrant gives the right to subscribe to one share for NOK 0.10 per share. A total of 210 million warrants are freely tradable and may be exercised at any time until 27 January 2026, and any unexercised warrant will be forfeited after this.

The Company judges that the subscription rights and warrants offered to the Board of Directors had a grant date and were fully vested on 2 December 2024 according to IFRS 2. The fair value of the total 120 million subscription rights and warrants has been estimated to be NOK 3.1 million based on a Theoretical Ex-Rights Price (TERP). TERP is used due to the significant theoretical dilution effect of the rights issue, which a market price (stock price) does not reflect. Hence, the use of TERP is the consensus view to use. The estimated fair value has been recognised as an employee expense with offset to equity. It has also been calculated a social security tax on this with NOK 0.6 million on 31 December 2024.

The share issues will be recognised in 2025. The estimated value of the underwriting services will be a net zero effect directly to equity in 2025.

Note 35 Subsequent events

After 31 December 2024, the following highlights have occurred:

On 2 December 2024, an extraordinary general meeting of Arribatec decided on a capital reduction by reducing the par value from NOK 2.80 to NOK 0.10 per share. The reduction took place after the end of the creditor notice period on 27 January 2025. Furthermore, a rights issue, directed to all existing shareholders and to BoD members, in addition to warrants to a group of underwriters and the Board of Directors, that subscribed under the Board of Directors share issue was completed on 6 February 2025. The share issue resulted in NOK 41m cash.

On 4 March 2025, the Company announced that they had signed an agreement to divest Arribatec Marine to Star Information System. The closing of the sale took place on 18 March 2025 at a valuation of NOK 24.6 million. On 14 March the company announced that they successfully completed the divestment of Arribatec Hospitality for an equity valuation of NOK 12.5 million. An estimated gain from these sales are NOK 14.5 million.

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Parent company statement of profit and loss

NOK thousand	Note	2024	2023
Operating income and operating expenses			
Sales revenue		221	499
Other income		521	1 266
Total income		741	1 765
Raw materials and consumables used		(2 301)	(3 225)
Employee benefits expense	2	(24 907)	(23 315)
Depreciations, amortisation and impairment of tangible and intanglible fixed assets	7, 8	(1 381)	(1 744)
Other expenses	3	(1 317)	(297)
Total expenses		(29 906)	(28 581)
Operating profit/loss		(29 164)	(26 816)
Financial income and expenses			
Dividend from other group companies		0	1 812
Other interest income		4 744	2 512
Other financial income	4	7 620	582
Other interest expenses		(5 829)	(2 975)
Other financial expenses	5	(79 017)	(3 304)
Net financial items		(72 482)	(1 374)
Result before tax		(101 646)	(28 190)
Tax expense	6	4 917	6 139
Result for the year	13	(96 730)	(22 051)
Allocation of result for the year			
Other equity		(96 730)	(22 051)
Total brought forward		(96 730)	(22 051)

Parent company statement of financial position

NOK thousand	Note	2024	2023
ASSETS			
Non-current assets			
Intangible assets			
Licences, patents etc.	8	2 010	4 442
Deferred tax assets	6	19 992	15 076
Total intangible assets		22 002	19 517
Property, plant and equipment			
Equipment, fixtures and fittings and other movables		811	939
Total property, plant and equipment	7	811	939
Non-current financial assets			
Investments in other group companies	9	280 958	322 011
Loans to group companies	9, 10	85 005	49 522
Other long-term receivables	10	3 386	3 386
Total non-current financial assets		369 349	374 919
Total non-current assets		392 162	395 376

NOK thousand	Note	2024	2023
Current assets			
Inventories			
Inventories		6 150	0
Total Inventories		6 150	0
Receivables			
Accounts receivables		0	85
Accounts receivables from group companies	9	21 819	13 654
Other short-term receivables		2 363	2 272
Receivables from group companies	9	11 607	5 907
Total receivables		35 790	21 918
Bank deposits, cash and cash equivalents			
Bank deposits, cash and cash equivalents	11	939	1 278
Total bank deposits, cash and cash equivalents		939	1 278
Total current assets		42 879	23 196
Total assets		435 041	418 572

Parent company statement of balance sheet

NOK thousand	Note	2024	2023
EQUITY AND LIABILITIES			
Equity			
Paid in equity			
Share capital	12	194 802	194 802
Other paid in capital		223 495	217 004
Total paid-in equity		418 297	411 806
Retained earnings			
Other equity		(178 880)	(81 530)
Total retained earnings		(178 880)	(81 530)
Total equity	13	239 417	330 275

NOK thousand	Note	2024	2023
Liabilities			
Other non-current liabilities			
Liabilities to group companies	9	8 021	11 346
Total non-current liabilities		8 021	11 346
Current liabilities			
Liabilities to financial institutions		31 625	19 458
Accounts payable		9 957	3 782
Public duties payable		1 700	1 515
Liabilities to group companies	9	138 486	40 482
Other current liabilities	14	5 835	11 713
Total current liabilities		187 603	76 950
Total liabilities		195 624	88 297
Total equity and liabilities		435 041	418 572

Oslo 25 April 2025
The board of Arribatec Group ASA

Signed

Håkon Reistad Fure
chairman of the board

Kristin Hellebust
member of the board

Linn Katrine Høie
member of the board

Terje Mjøs
member of the board

Henrik A. Christensen
member of the board

Ole Jakob Kjølvik
CEO (Interim)

Parent company statement of cash flow

For the year ended 31 December

NOK thousand	2024	2023
Operating activities		
Profit/(Loss) before tax	(101 646)	(28 190)
Adjustments for:		
- (Increase)/decrease in accounts receivable	(13 872)	28 593
- (Decrease)/Increase in accounts payable	6 175	(2 345)
- Depreciation, amortisation and impairment	1 381	1 744
Share consideration benefit	3 069	0
Change in other current assets/ liabilities	123 655	(35 369)
Net cash flows operating activities	18 762	(35 568)
Investing activities		
Sale of intangible asset	1 266	0
Capitalised tangible and intangible assets	(87)	0
Net cash flows investing activities	1 179	0
Financing activities		
Change in overdraft	12 167	21 547
Changes in IC lending/borrowing	(32 095)	0
Other changes in equity	0	11 947
Share issue costs	(352)	(118)
Net cash flows financing activities	(20 280)	33 377
Net change in cash and cash equivalents	(339)	(2 191)
Cash and cash equivalents at beginning of period	1 278	3 469
Cash and cash equivalents at end of period	939	1 278
whereof restricted cash	939	1 277

Arribatec Group ASA

Notes to the Parent company financial statement

Note 1 Accounting principles

1.1 Basis for preparation of the company accounts

The annual accounts are set up in accordance with the Accounting Act of 1998, Norwegian accounting principles (NGAAP) and generally accepted Norwegian accounting best practice (NGRS). The annual accounts consist of the income statement, balance sheet, cash flow statement and notes. The annual accounts constitute a whole.

The most important accounting principles that are used in the preparation of the annual accounts are as follows:

1.2 Currency

Monetary items in foreign currencies are valued at the year-end exchange rate. Other assets and liabilities in foreign currency are valued according to general valuation regulations.

1.3 Revenue

Revenues mainly consist of sales of services to other companies in the group. The company recognises revenue when it transfers control of a good or service to a customer. Dividends and group contributions from subsidiaries are recognised in the same year in which they are earned in the underlying companies, and when such distributions are expected to be resolved, and are included in the underlying companies' annual accounts. Interest income is entered as it is earned.

1.4 Defined contribution pension schemes

The obligations of the Company related to payments of defined contribution retirement plans are expensed in the income statement as they are earned by the employee for services conducted on behalf of the employer during the period.

1.5 Classification of assets and liabilities

Fixed assets and long-term liabilities consist of items expected to be settled more than twelve months after the balance sheet date. Current assets and current liabilities consist of amounts that are expected to be settled within twelve months after the balance sheet date.

Fixed assets are valued at historical cost but written down to actual value when the reduction in value is not expected to be temporary. Fixed assets with a limited economic lifetime are depreciated in accordance with a depreciation plan. Long-term loans are recorded at the nominal received value at the time of establishment.

Current assets are valued at the lowest of the cost value and actual value. Long-term liabilities are recorded at the nominal received value at the time of establishment.

1.6 Receivables

Receivables are recorded at nominal value less provisions for expected losses. Provisions for losses are made based on an individual analysis of the individual receivables.

1.7 Use of estimates

Management has used estimates and assumptions that affect the income statement and the valuation of assets and liabilities, as well as contingent assets and liabilities on the balance sheet date during the preparation of the annual accounts in accordance with generally accepted accounting principles.

1.8 Contingencies and events after the Balance Sheet date

Contingent losses that are probable and quantifiable are expensed.

1.9 Cash Flow Statement

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments.

Note 2 Employee compensation

NOK thousand	2024	2023
Salaries	(20 860)	(16 228)
Employment tax	(2 939)	(2 775)
Pension costs	(897)	(731)
Other benefits	(211)	(3 581)
Total employee compensation	(24 907)	(23 315)

Arribatec Group ASA had 13 employees as per end of 2024, whereof 5 men and 8 women. Number of FTEs was 10.6 (2.8 men and 7.8 women). The Board of Directors are not included in the employee numbers.

Management remuneration 2024

NOK thousand	Board remuneration	Audit committee remuneration	Salary	Bonus	Benefits in kind	Share option cost	Pension cost	Total remuneration
Management								
Geir Johansen - CEO	0	0	4 000	0	6	207	104	4 317
Ole Jakob Kjølvik - COO (until Aug-24)	0	0	1 072	0	10	104	69	1 254
Bente Brocks - CFO (interim)	0	0	1 784	0	6	186	104	2 081
Pål Stueflotten - CCO	0	0	1 200	433	49	155	104	1 942
Solfrid Buø - CPOO	0	0	1 500	0	6	155	104	1 765
Management total	0	0	9 555	433	77	808	486	11 360
Members of the Board								
Håkon Reistad Fure - Chairman (from Dec-24)	24	3	0	0	0	0	0	28
Martin Nes - Chairman (until Nov-24)	252	37	0	0	0	0	0	289
Henrik Christensen - Member (from Dec-24)	20	0	0	0	0	0	0	20
Øystein S. Spetalen - Member (until Nov-24)	208	0	0	0	0	0	0	208
Kristin Hellebust - Member	226	35	0	0	0	0	0	261
Linn Katrine Høie - Member	228	0	0	0	0	0	0	228
Terje Mjøs - Member	169	35	0	0	0	0	0	204
Members of the Board total	1 126	110	0	0	0	0	0	1 236
Total salaries and personnel expense	1 126	110	9 555	433	77	808	486	12 596

Management remuneration 2023

NOK thousand	Board remuneration	Audit committee remuneration	Salary	Bonus	Benefits in kind	Share option cost	Pension cost	Total remuneration
Management								
Geir Johansen - CEO	0	0	4 000	0	17	38	100	4 154
Ole Jakob Kjølvik - COO	0	0	1 559	137	17	28	100	1 840
Bente Brocks - CFO (interim)	0	0	1 762	0	14	34	100	1 909
Pål Stueflotten - CCO	0	0	1 458	513	84	28	100	2 182
Solfrid Buø - CPOO	0	0	1 500	0	24	28	100	1 652
Management total	0	0	10 278	649	156	156	498	11 737
Members of the Board								
Martin Nes (Chairman)	265	38	0	0	0	0	0	303
Øystein S. Spetalen (Member)	215	0	0	0	0	0	0	215
Kristin Hellebust (Member)	215	33	0	0	0	0	0	248
Linn Katrine Høie (Member)	215	0	0	0	0	0	0	215
Terje Mjøs (Member, from May-23)	131	20	0	0	0	0	0	152
Henrik Lie-Nielsen (Member, to May-23)	83	13	0	0	0	0	0	96
Members of the Board total	1 123	104	0	0	0	0	0	1 227
Total salaries and personnel expense	1 123	104	10 278	649	156	156	498	12 964

Five out of six in the Group Management are employed in Arribatec Group ASA; the CEO, COO, CFO, CPOO and CCO. Compensation to the management during the year is detailed in this note.

The CEO has a three-month notice period and is entitled to severance pay for twelve months in case of termination initiated by the company. None of the Board members or the CEO have executive loans or guarantees in the company.

See remuneration report for details on bonus and share option program in relation to management.

See Note 27 Long term incentive plan in Group report for information regarding share based payments.

Pension cost

Arribatec operates defined contribution retirement benefit plans for all qualifying employees. The only obligation of the company with respect to retirement benefit plan is to make the specified contributions. Pension cost is expensed including national insurance contributions.

Note 3 Other operating expenses

NOK thousand	2024	2023
Consultants, etc	(6 908)	(4 655)
Legal costs	(1 103)	(1 011)
Computer and software costs	(8 308)	(8 024)
Leasing	(152)	(465)
Audit and accounting fees	(2 297)	(1 311)
Stock fees/Listing of shares	(574)	(314)
Other	18 025	15 482
Total other operating expenses	(1 317)	(297)

Specification of auditor's fee

NOK thousand	2024	2023
Statutory audit	(1 407)	(444)
Other non-assurance services	0	(21)
Total	(1 407)	(465)

Leases, where the most significant risks and returns associated with ownership of the asset are not acquired by the company, are classified as operating lease agreements. Lease payments are classified as an operating expense and are recognised linearly over the contract period.

Future cash flow from lease contracts

NOK thousand	
Less than 1 year	5 525
1-2 years	2 682
2-3 years	62
Future cash flow from lease contracts	8 269

Note 4 Other financial income

NOK thousand	2024	2023
IC Group contribution received	4 898	0
Gain on closed subsidiary (Arribatec Belgium)	2 461	0
Net unrealised foreign exchange losses	261	582
Total other financial income	7 620	582

Unrealised effects from foreign exchange are presented net of gain and loss. For 2024 and 2023, net unrealised effects were income and therefor presented as Financial income.

For description of risks, see Group Note 13.

Note 5 Other financial expenses

NOK thousand	2024	2023
Impairment of Investment in subsidiary	(51 212)	0
Write off intercompany loan	(26 737)	(2 042)
Other	(1 068)	(1 262)
Total other financial expense	(79 017)	(3 304)

Investment in subsidiaries and loans to subsidiaries are tested for impairment for each subsidiary before the preparation of the annual accounts. The test is performed annually. An impairment related to both investment in subsidiaries and loans to subsidiaries has been recognised with NOK 51.2m and NOK 26.7m respectively.

Note 6 Tax

Tax expenses consist of tax payable and change in deferred tax. Deferred tax assets are calculated on all differences between accounting and tax values of assets and liabilities. Deferred tax is calculated at 22% based on the temporary differences that exist between the accounting and tax values, and tax loss carried forward at the end of the fiscal year. Net deferred tax assets are recognised to the extent that it is likely that they could be utilised. Tax expenses and deferred tax are entered in the accounts directly against equity so far as the tax items relate to items recognised directly against equity.

NOK thousand	2024	2023
Income tax expense		
Current tax		
Current Income Tax	0	0
Deferred tax		
Change in deferred taxes - Norway	4 917	6 139
Tax income recorded in Profit & Loss	4 917	6 139
A reconciliation of the tax		
Profit/(loss) before tax	(101 646)	(28 190)
Temporary differences	(11 592)	(267)
Non deductible expenses	81 760	2 099
Non-taxable income	(2 462)	(1 812)
Tax base	(33 940)	(28 171)
Income taxes calculated at the Company's domestic tax rate (22%)	7 467	6 198
Tax previous year	0	0
Changes in recognised deferred taxes	(2 550)	(59)
Effect from previously unrecognised deferred taxes	0	0
Tax income at effective tax rate	4 917	6 139
Effective tax rate	4.8%	21.8%
Tax rate Norway	22.0%	22.0%

The tax effect of temporary differences that has formed the basis for the deferred tax and deferred tax assets, specified on type of temporary differences.

NOK thousand	2024	2023
Deferred taxes		
Tax losses carried forward, accumulated	44 508	37 041
Property, plant and equipment	97	149
Intangible assets	373	2 806
Other provisions	313	377
Tax losses carried forward, not recognised	(25 298)	(25 298)
Deferred taxes, net	19 992	15 076
Deferred taxes, recognised	19 992	15 076
Deferred taxes, not recognised	25 298	25 298
Reconciliation to balance sheet		
Deferred tax assets	19 992	15 076
Deferred tax liabilities	0	0
Net Deferred tax assets (liabilities)	19 992	15 076

Deferred tax

NOK thousand	2024	2023
Deferred tax asset	19 992	15 076

Deferred tax

Deferred tax is recognised with NOK 20.0 (15.1) million in 2024.

Not recognised tax losses are NOK 25.3 million, relating to the period prior to the current owners, when the company was Hiddn Solution.

Note 7 Property, plant and equipment

Tangible fixed assets are recognised at historical cost in the balance sheet, with a deduction for accumulated depreciation and impairment. The write-down is reversed when the basis for the write-down no longer exists. Depreciation is made on a straight-line basis over the asset's estimated useful life, which is assessed on an individual basis, ranging from five to ten years.

NOK thousand	Office equipment	Fixture and fittings	Other	Total
Cost at 1 January 2024	3 142	484	854	4 481
Additions			87	87
Cost at 31 December 2024	3 142	484	941	4 567
Accumulated depreciation at 1 January 2024	(3 142)	(184)	(215)	(3 541)
Depreciation during the year		(59)	(158)	(217)
Accumulated depreciation at 31 December 2024	(3 142)	(243)	(373)	(3 758)
Carrying amount at 31 December 2024	0	242	568	811
Useful life	5-10 yrs	5 yrs	5 yrs	

Note 8 Other intangible assets

Intangible fixed assets are recognised at cost in the balance sheet, with a deduction for accumulated depreciation and any impairment.

Amortisation is calculated using the straight-line method to allocate the cost over their useful lives of five to ten years.

NOK thousand	Custom software	Custom software	Other	Total
Cost at 1 January 2024	8 202	1 544	101	9 847
Disposals	(3 993)	0	0	(3 993)
Cost at 31 December 2024	4 209	1 544	101	5 854
Accumulated amortisation at 1 January 2024	(4 384)	(970)	(51)	(5 405)
Amortisation during the year	(847)	(309)	(10)	(1 165)
Disposals	2 727	0	0	2 727
Accumulated amortisation at 31 December 2024	(2 503)	(1 279)	(61)	(3 843)
Carrying amount at 31 December 2024	1 705	265	40	2 011
Useful life	5-10 yrs	5 yrs	5 yrs	

Note 9 Shares in subsidiaries and intercompany

In Arribatec Solutions ASA's company accounts, shares in subsidiaries are valued following the cost method. Group contributions are entered into the parent company's accounts as income in investment in subsidiaries under financial items, in the extent to which the distribution relates to the earnings accrued in the holding period. Other received group contributions are entered as a reduction of the cost price of the shares. Provided group contributions net after tax are entered as increased investment in subsidiaries.

NOK thousand	Head office	Ownership and vote %	Book value of shares	Equity in subsidiaries	2024 result in subsidiaries
Arribatec Norge AS	Oslo	100%	47 981	13 137	7 422
Arribatec Hospitality AS	Oslo	100%	10 184	6 813	(10 666)
Arribatec Cloud AS	Oslo	100%	80 091	9 006	(6 185)
Arribatec EA & BPM AS	Oslo	100%	85 605	6 544	172
Arribatec Denmark ApS	Copenhagen	100%	56	1 316	689
Arribatec UK Ltd	Leicester	100%	39 670	11 617	(1 994)
Arribatec France Sarl	Levallois-Perret	100%	102	(4 643)	(2 437)
Arribatec Iberia SL	Granada	100%	28	1 552	1 240
Arribatec Sverige AB	Stockholm	100%	0	407	(6 213)
Arribatec Italy S.r.l.	Pontinia	100%	17 024	3 845	(8 526)
Arribatec Solutions Pte. LTD	Singapore	100%	0	(6 045)	(1 537)
Arribatec Innovation Sp. z o.o.	Dormant	100%	218	1 331	(28)
Total			280 958	44 879	(28 063)

Total receivables related to Group companies were NOK 113.5m (69.1m) on 31.12.2024 and total internal liabilities at the same date were NOK 113.5m (17.4m).

Note 10 Non-current financial receivables

Non-current financial assets mainly consist of investments in subsidiaries (NOK 281m) and loans to entities within the Arribatec Group (NOK 85.0m). Deposits (NOK 3.4m) are related to the rental agreement of the office facilities for the head office in Oslo. These are all due more than 12 months after the balance sheet date. There are no deviations between booked values and fair values.

Note 11 Cash and short term deposits

Cash and cash equivalents include cash, bank deposits and other short-term liquid investments. Cash pool with negative balances are classified as debt. The cash pool limit is NOK 35m and all is considered short-term. Per 31.12.2024, NOK 31.6m of the limit was used.

As of 31 December 2024 the Company had a cash balance of NOK 0.9 million of restricted cash.

Note 12 Share capital and shareholder information

The Company is listed on the Oslo Stock Exchange under the ticker ARR. Share capital in the company per 31 December 2023 consisted of 69 572 206 shares, each with a nominal value of NOK 2.80. The company has one share class, with each share conferring equal dividend rights and votes. The total share capital was NOK 194 802 177. See Note 26 in the Group report for more detailed information.

Note 13 Equity

NOK thousand	Share capital	Other paid-in capital	Other equity	Total equity
Equity 31 December 2023	194 802	217 004	(81 530)	330 276
Result of the year			(96 730)	(96 730)
Share consideration benefit		3 069		3 069
Share option cost			3 154	3 154
Share option cost reclassified to Other paid in capital		3 774	(3 774)	0
Share issue cost		(352)		(352)
Equity 31 December 2024	194 802	223 495	(178 880)	239 417

Note 14 Other current liabilities

Other current liabilities consist of unpaid holiday pay, bonus and other short term accruals.

Note 15 Transaction with related parties

During 2024, the Company has paid consultancy fees to Company One AS, a company related to the Chairman of the Board, Håkon Reistad Fure and legal fees to Ro Sommernes Advokatfirma DA, a company in relation to BoD member Herik A. Christensen.

There were no transactions with related parties during 2023.

NOK thousand	2024	2023
Company One AS - consultancy	625	0
Ro Sommernes Advokatfirma DA - legal services	206	0
Total	831	0

Note 16 Events after the balance sheet date

After 31 December 2024, the following highlights have occurred:

On 2 December 2024, an extraordinary general meeting of Arribatec decided on a capital reduction by reducing the par value from NOK 2.80 to NOK 0.10 per share. The reduction took place after the end of the creditor notice period on 27 January 2025. Furthermore, a rights issue, directed to all existing shareholders and to BoD members, in addition to warrants to a group of underwriters and the Board of Directors, that subscribed under the Board of Directors share issue was completed on 6 February 2025. The share issue resulted in NOK 41m cash.

On 25 February 2025 the Company announced that the CEO Geir Johansen will be stepping down from his role effective from 1 March 2025. The Board has appointed Ole Jakob Kjølvik as interim CEO.

On 14 March the company announced that they successfully completed the divestment of Arribatec Hospitality for an equity valuation of NOK 12.5 million.

BDO AS
Bygdøy Allè 2
PO Box 1704 Vika
0121 Oslo
Norway

Independent Auditor's Report

To the General meeting of Arribatec Group ASA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Arribatec Group ASA.

The financial statements comprise:	In our opinion:
• The financial statements of the parent Company, which comprise the balance sheet as at 31 December 2024, income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and • The financial statements of the Group, which comprise the balance sheet as at 31 December 2024, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.	• The financial statements comply with applicable statutory requirements, • The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. • The accompanying financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Arribatec Group ASA for 4 years from the election by the general meeting of the shareholders on 12 May 2021 for the accounting year 2020.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How the key audit matter was addressed in the audit
Goodwill and intangible assets Under IFRS, the Group is required to perform an annual impairment test of goodwill and intangible assets with an indefinite useful life. Impairment testing of goodwill and intangible assets is a key aspect of our audit due to the complexity of the assessments and the significance of assumptions related to future market and economic conditions that underlie the assessment. As a result of management's impairment test, a goodwill impairment of NOK 24 million has been recognized in the group financial statements.	Our audit procedures have included a detailed review of management's impairment test for each business unit to which goodwill and intangible assets are allocated. We have also assessed management's assumptions underlying the valuation and taken into consideration management's historical accuracy in determining the estimates. Internal specialists have assisted us in this process. We have also considered the assumptions described in note 16 and assessed the adequacy of the information provided in the notes against the requirements of IAS 36.

Investments in subsidiaries The company has significant investments in subsidiaries that are measured at cost. Investments in subsidiaries are tested for impairment if impairment indicators are present. An impairment loss is recognized if the carrying amount exceeds the recoverable amount. The carrying amount as at 31 December 2024 was NOK 281 million, after recognizing an impairment of NOK 51 million in the financial statements for the parent. The significant amounts involved, and the complexity of the valuation of the assets, lead us to classify the valuation of investments in subsidiaries as a key audit matter.	Our audit procedures included a detailed review, testing, and assessment of management's impairment tests, including the calculation of recoverable amounts. We have also assessed management's assumptions underlying the valuation and taken into consideration the historical accuracy in determining the estimates. Internal specialists have assisted us in this process. We have also considered the assumptions described in note 9.

Other information

The Board of Directors and the Managing Director (management) are responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on the Board of Directors' report

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Report on compliance with requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Arribatec Group ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Arribatec-Group-ASA-2024-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

BDO AS

Yngve Gjethammer
State Authorised Public Accountant

Statement of Corporate Governance .

This chapter describes Arribatec Group ASA's ("Arribatec" or "the Company") compliance with the Norwegian code of practice for corporate governance. The Company's Board of Directors embraces the principles of good corporate governance and is vigilant about the Company's adherence to these principles. This report includes the information required to comply with §3-3b in the Norwegian Accounting Act.

Corporate governance
As a security provider, understanding and adhering to rules and regulations is of the utmost importance to Arribatec. Good corporate governance benefits the Company's reputation and thus value, and vice versa. The Company adheres to the following set of principles with regard to corporate governance:

Transparency
The communication between the Company and its stakeholders shall be based on transparency about matters that are relevant to evaluating the operations of the Company.

Independence
The Board of Directors shall act independently of the Company's executive management to ensure that decisions are made on fair and neutral grounds.

Equality
All shareholders shall be treated equally.

Control and governance
Good internal control and governance principles shall contribute to predictability and risk mitigation for owners and other stakeholders.

1. Corporate Governance at Arribatec Group ASA

The Company always seeks to comply with the most recent applicable legal framework for companies listed on the Norwegian stock exchange. The Company endorses the "Norwegian Code of practice for Corporate Governance" ("NUES") in its most recent revision (October 2021), which is available on www.nues.no. The Company conducts annual corporate governance reviews to ensure continued compliance. Considering the size and maturity of the Company, there may be deviations from the code. Arribatec will adhere to the principle "declare or explain" regarding any non-compliance with respect to the code. The Company's policies, instructions and internal processes are continuously developed.

2. Operations and corporate social responsibility

The Board of Directors prepares annual business plans that include the goals, key strategies and risk profile for the Company, which shall be reviewed on an annual basis. The Company has implemented ethical and corporate social responsibility guidelines in accordance with its basic corporate values, which describe how the Company shall integrate its social considerations in its business. The guidelines are published on Arribatec's website, www.arribatec.com. A Corporate Social Responsibility Report is found in this annual report.

3. Equity and Dividend

Equity: The Company strives to maintain a healthy relation between the Company's equity and other forms of financing, given the Company's strategy and risk profile. The Board of Directors takes immediate and appropriate action should the equity or liquidity situation of the Company prove to be below an acceptable level.

Dividend policy

Arribatec is growing fast, both organically and through M&A activities. Both these avenues for growth require liquidity and availability of sufficient funding as well as a healthy equity ratio. While the company is in an expansion phase, the Board is not planning for regular dividends to be paid to the shareholders. There has not been given, nor proposed to give, a mandate to the Board of Directors to approve a distribution of dividends.

Board authorizations

Authorisations to the Board of Directors to approve share capital increases shall be confined to defined purposes and should not be given for longer periods of time than until the next Ordinary General Meeting. If an authorization encompasses several purposes, each purpose should be treated as a separate issue at the General Meeting. This also applies to authorizations permitting the repurchase of shares. The ordinary General Meeting held on the 24. May 2024 gave the Board of Directors authorization to increase the Company's Share Capital by up to NOK 96.680.250. The authorizations are valid until the next ordinary general assembly, and no later than 24 August 2025.

4. Equal treatment of shareholders and transaction with related parties

Class of shares: The Company has one class of shares, without any form of voting restriction imposed. Each share represents one vote at the Company's General Meeting. The par value per share is NOK 2.80. In an extraordinary general meeting on 2 December 2024, the General meeting decided on a share capital decrease by reducing the par value of each share from NOK 2.80 to NOK 0.10. The creditor notice period ended on 14 January 2025.

Pre-emption rights of existing shareholders

The Company's existing shareholders have pre-emption rights to subscribe for shares in the event of a share capital increase, unless special circumstances necessitate a deviation from this principle. Any decision to deviate from the pre-emption rights of existing shareholders shall be justified and in accordance with the authorization given to the Board of Directors from the General Meeting. The justification shall be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital.

Transactions with related parties

The Company's board members, management and significant shareholders are considered related parties. Any transactions with related parties are carried out on an arm's length basis. If the value of such a transaction is significant, the Board of Directors is responsible for assigning an independent third party to perform a valuation. Alternatively, the transaction in question can be treated as an issue at the General Meeting, in accordance with the Norwegian Public Limited Liability Companies Act.

5. Shares and negotiability

The shares in the Company are freely transferable, and there are no constraints in the Articles of Association preventing or contradicting this.

6. General meetings

The General Meeting is the main governing body of the Company. The Board shall facilitate so that all shareholders are given the opportunity to participate in General Meetings, and that the General Meetings are an effective forum for the views of shareholders and the Board of Directors.

Notification: No later than 21 days prior to the Annual General Meeting ("AGM"), an invitation will be made available on the Company's website, www.arribatec.com. Supporting information on resolutions to be considered, as well as the recommendations of the Nomination Committee will be presented in due time before the AGM. The Board of Directors seeks to ensure that all shareholders are provided with sufficient information to form qualified views on the matters discussed at the General Meeting. The Company's Articles of Association provide that the Company does not have to send documents relating to matters to be considered by the General Meeting by mail to shareholders when these documents are made available on the Company's website. Any such documents shall, however, be sent free of charge upon request from individual shareholders. Further, the right to participate and vote at the Company´s General Meeting can only be exercised for shares when the purchase of shares is listed in the shareholder register no later than five workdays prior to the General Meeting. Other than aforementioned, there are no provisions in the Articles of Association regarding General Meetings in the Company that deviates from the provisions of the Norwegian Public Limited Companies Act. The AGM will be held no later than 30 June each year. The AGM will be held in Oslo, unless otherwise is clearly specified.

Participation by shareholders in absentia: Shareholders that are unable to attend the General Meeting in person, are encouraged to vote by proxy. In connection with any General Meeting, the Company provides information on proxy voting, designates a person who will be available to vote on behalf of the shareholders in question and prepare a form for the appointment of a proxy.

Attendance, agenda and execution: Board members, the Nomination Committee and the auditor are encouraged to attend the General Meeting in person. The Company will make arrangements to ensure that an independent chairman for the General Meeting can be elected. The company will conduct General Meetings by way of web meetings if the situation requires it.

7. Nomination Committee

Requirements for the Company's Nomination Committee are outlined in the Articles of Association, §6. According to the Company's Articles of Association, the Company shall have a Nomination Committee consisting of 2-5 members by the further decision of the General Meeting. Pursuant to the guidelines for the Nomination Committee, the Nomination Committee shall, inter alia, assess the need for change in the Board of Directors, propose candidates for election to the Board of Directors, and propose remuneration to be paid to such members. The Nomination Committee is responsible for assessing the need for change in the Board of Directors, proposing, in consultation with relevant shareholders, candidates for election to the Board of Directors, and proposing the remuneration to be paid to such members.

8. The Board of Directors – composition and independence

According to the Articles of Association, the Board of Directors should consist of three to seven members, chosen by the General Meeting. The Chairman of the Board is elected by the General Meeting. The composition of the Board shall ensure that the Board can attend to the common interests of all shareholders and meet the Company's need for expertise, capacity, and diversity. It is of great importance to the Company that the board members have the relevant competencies to independently evaluate the cases presented to them by the executive management, as well as to monitor the daily operations of the Company.

The term of office for members of the Board of Directors shall not be longer than two years at the time. Members of the Board of Directors may be re-elected. The Company's Board of Directors shall normally not include members of the executive management team. The Company strives to apply NUES' criteria to evaluate whether a director can be considered independent. The Board should have a composition that enables it to attend to the common interests of all shareholders and operate independently of special interests. Any deviation from the independence principle will be properly explained by the Company. Any director experiencing a change in his or her ability to act independently is obligated to notify the Chairman of the Board. At least two of the shareholder-elected board members shall be independent of the Company's main shareholders.

The Board of Directors held 10 meetings in 2024.

9. The Board of Directors – work and instructions

The formal responsibilities of the Board of Directors are mandated by Norwegian law. The fundamental responsibility of the directors is to oversee day-to-day management and evaluate strategy, to exercise their business judgment acting in what they reasonably believe to be the best interests of the Company and its shareholders. The Board of Directors is also to oversee such matters as are required by statutory law, the Company's Articles of Association, policies, instructions and procedures as well as resolutions or the resolutions of the General Meeting. It is the duty of the Board of Directors to monitor management's performance to ensure that the Company operates in an effective and ethical manner, focused on creating value for the Company's shareholders. The Board of Directors also evaluates the Company's overall strategy and evaluates performance against the management's operating plan. The Board of Directors is responsible for supervising strategic, financial and execution risks, as well as exposures associated with the Company's business strategy, products- and services innovation and sales road map, policy matters, significant litigation and regulatory exposures, and other current matters that may present a material risk to the Company's financial performance, operations, infrastructure, plans, prospects or reputation, acquisitions, and divestitures. Furthermore, the Board of Directors shall control the ongoing activities of the Company in a satisfactory manner. Instructions for the Board of Directors: The Board of Directors shall issue instructions for its own work as well as for the executive personnel with emphasis on clear internal allocation of responsibilities and duties. In order to ensure a more independent consideration of matters of a material character in which the Chairman of the Board is, or has been, personally involved, the Board's consideration of such matters shall be chaired by some other members of the Board.

Audit Committee: The audit committee's main responsibilities are to ensure the integrity of the Group's financial reporting, to supervise the Group's internal control and risk management system, to ensure the auditor's independence, to inform the Board of the results of the statutory audit, and to ensure that the annual accounts give a fair picture of the Group's financial results and financial condition in accordance with generally accepted accounting principles. The audit committee works as the Board's risk committee, reviews the procedures for risk management, and assesses the risks and financial controls related to the Group's business activities. The audit committee ensures that the company has a sufficient focus on ESG to contribute to sustainable development and appropriate risk management to minimize the negative impact of the operations. The audit committee also receives reports on the work of the external auditor and the results of the audits.

As of 31 December 2024, the audit committee consisted of the following members:

- Håkon Reistad Fure (Chair)
- Terje Mjøs
- Kristin Hellebust

The audit committee held 6 meetings in 2024.

Instructions for the CEO: Executive management and Board of Directors' responsibilities are clearly segregated. The CEO shall follow the guidelines and instructions issued by the Board of Directors. The CEO is responsible for the day-to-day management of the Company pursuant to section 6-14 of the Norwegian Public Limited Companies Act. The CEO represents the Company externally in matters that form part of day-to-day management. The day-to-day management does not cover matters of extraordinary nature or of major importance. However, the CEO is authorized to decide on matters of extraordinary nature or of major importance in cases where the decisions of the Board of Directors cannot be awaited without serious detriment to the Company. The Board of Directors shall be notified of the decision as soon as possible.

Financial reporting: The Board of Directors is responsible for ensuring the integrity of financial information. The Board evaluates the integrity of the Company's accounting and financial reporting systems, including the audit of the Company's annual financial statements by the independent auditor, and that there are appropriate systems of internal control in place. The main purpose of risk management and internal control is to provide reasonable assurance that the group will achieve:

- Compliance with legislation and regulations, as well as internal guidelines
- Quality and efficiency within internal operations
- Reliable internal and external reporting quarterly and annual financial reports are reviewed and approved at board meetings and form the basis for external financial reporting. Upon the presentation of year-end financial statements, the CEO and the CFO declare that the accounts have been prepared in accordance with generally accepted accounting principles, and that to the best of their knowledge, all information is accurate, and no material information has been omitted. The Company uses an external accounting agency for all Group companies.

Disqualification: The CEO or a member of the board may not participate in the discussion on Board issues that are of special financial or personal interest to the individual in question.

10. Risk management and internal control

The Board of Directors performs an annual audit of the main risks and internal control routines of the Company. The audit shall encompass the issues that have been brought to the Board of Directors' attention throughout the year. The routines for internal control shall encompass the Company's adherence to its values, and its guidelines on ethics and corporate social responsibility.

11. Remuneration of the Board of Directors

The Ordinary General Meeting approves the remuneration paid to the Board of Directors. The Nomination Committee is responsible for issuing a proposal on the remuneration terms to the AGM.

12. Remuneration of executive management

In accordance with the Norwegian Public Limited Liability Companies Act, the Board of Directors establishes guidelines for the remuneration of the executive management team. These guidelines are presented to the General Meeting through a statement on remuneration for executive management. The statement is presented for an advisory vote, which is subject to the General Meeting's approval. The Company's general principle for management remuneration is to offer competitive terms, to attract and retain the competence it needs.

13. Information and communication

Regular information to the Company's shareholders and the market is provided through the annual report, quarterly reports, and open presentations. All reports and notices are issued and distributed according to the rules and regulations of the Oslo Stock Exchange. Insider information is treated in accordance with Norwegian law. Shareholder information, including the financial calendar, is available on www.arribatec.com. The Company's CEO and CFO is responsible for investor relations. The Company has established procedures for discussions with shareholders other than at Ordinary General Meetings. All information distributed to the Company's shareholders is published on the Company's website at the same time as it is sent to shareholders.

14. Take-overs

There are no defense mechanisms against take-over bids in the Company's Articles of Association or in any underlying governance document. In corporate takeovers or restructuring situations, the Board shall exercise due and proper care so that all shareholder values and interests are preserved. The Board of Directors will ensure that the shareholders are given enough information and time to form a view of the offer in a bid situation. The Board of Directors will handle take-over bids in accordance with Norwegian laws and regulations. Furthermore, the Board of Directors will seek to comply with the recommendations set out in the NUES, including arranging for a valuation from an independent expert and making a recommendation as to whether the shareholders should accept the bid. Other than the guidelines described above, the Board of Directors has not found it appropriate to establish any other written explicit principles for how it will act in the event of a take-over bid.

15. Auditor

The external auditor is elected by the General Meeting. The auditor is fully independent of the Company. BDO is the Company's auditor. Each year the auditor presents the Board of Directors with a plan for the implementation of the audit, and a written confirmation that the auditor satisfies established requirements pertaining to independence and objectivity. The auditor participates in the Audit Committee's meetings. The auditor provides the Audit Committee and the Board with its perspectives on the annual statement and informs them of any disagreements between the auditor and the executive management. The Board of Directors also has contact with the auditor when required outside the situations mentioned above. At least once a year, the auditor attends a meeting with the Board of Directors in which no representatives from the Company's executive management will be present. During 2024, the auditor attended 1 board meeting and 5 Audit Committee meetings. The auditor is present at the General Meeting, where the Board of Directors also informs about the compensation for the auditory work required by law and remuneration associated with other assignments. Information on the fees paid to the auditor in 2024, including a breakdown between statutory auditing and other assistance/service is presented in notes to the consolidated financial statements. In connection with the auditor's presentation to the Board of Directors of the annual work plan, the Board of Directors considers if the auditor to a satisfactory degree also carries out a control function.

APMs, terms and abbreviations .

NOK thousand	2024	2023
EBITDA	(15 225)	24 463
Share consideration in relation to BoD	3 658	0
Restructuring cost	10 143	0
One-time payment in relation to severance pay	1 098	0
Penalty fee related to hardware delivery to Flytoget	934	0
Bad debt expensed in relation to large customer bankruptcy	2 071	0
Adjusted EBITDA	2 679	24 463
Revenue	574 733	572 981
EBITDA	(15 225)	24 463
EBITDA margin	(2.6%)	4.3%
Adjusted EBITDA	2 679	24 463
Adjusted EBITDA margin	0.5%	4.3%

APMs (Alternative Performance Measures) are considered one-time and not part of the ongoing business and are therefore adjusted to show an EBITDA mirroring the underlying business.

KPI/APM definition

KPI/APM	Definition
Gross profit	Operating revenue less materials, software and services
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EBITDA margin	EBITDA as a percentage of Total income
Equity ratio	Equity as a percentage of total assets
Adjusted EBITDA	EBITDA, adjusted for restructuring cost and other one-time effects
Adjusted EBITDA margin	EBITDA margin, adjusted for restructuring cost and other one-time effects

Terms and abbreviations

BA	Business Area
BizS	BA Business Services
BoD	Board of Directors
BPM	Business Process Management
Cloud	BA Cloud
EA&BPM	BA Enterprise Architecture & Business Process Management
EBIT	Operating profit, Earning before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EPS	Earnings Per Share
FTE	Full Time Equivalent
Hspt	BA Hospitality
IFRS	International Financial Reporting Standards
Marine	BA Marine
NOK	Norwegian Krone
Opex	Operating expenses
RR	Recurring revenue, derived from sale of services and solutions through subscription models
Saas	Software as a service
Solaas	Solution as a service

Arribatec is a global supplier of digital business solutions that help our customers achieve competitive advantage through innovative use of IT.

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